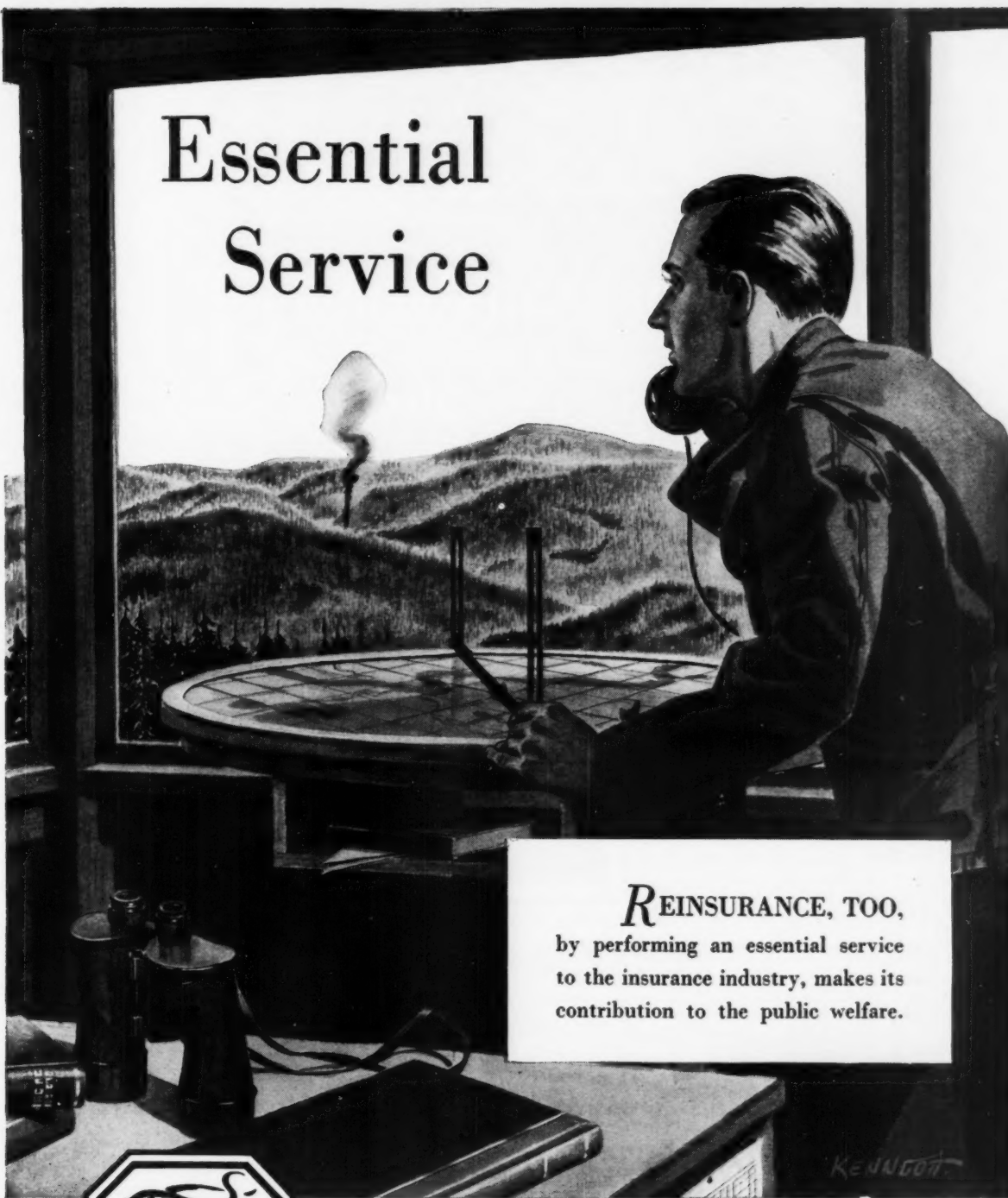


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THURSDAY, JUNE 18, 1953



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The NATIONAL UNDERWRITER

57th Year, No. 25
June 18, 1953

The National Weekly Newspaper of Fire and Casualty Insurance

General Agents Elect Simoneaux as New President

Carl N. Homer Next
in Line; Pick Newport
News for Next Year

By JAMES C. O'CONNOR

Jules E. Simoneaux of the New Orleans general agency of Henry A. Steckler Co. was elected president of American Assn. of Managing General Agents at the annual meeting at Nip-persink Manor, Wis., last week. He succeeds J. Leonard Brown, Denver, whose handling of the first meeting held in the middle west won the ap-



Jules E. Simoneaux



J. Leonard Brown

plause of the 225 in attendance. The gathering, arranged by the newly formed Upper Midwest Assn. of Managing General Agents, with G. J. Leonhard, Madison, as general chairman, offered its usual pleasant balance of business and pleasure and the weather, with a few brief interruptions, cooperated with the recreation program.

The 1954 meeting will be held at Newport News, Va. At the closing session, the members approved Mr. Brown's recommendation that the executive committee be authorized to arrange for meetings up to three years in advance, so that better advantage may be taken of hotel facilities.

Carl N. Homer of Deans & Homer, San Francisco, became chairman of the executive committee and is in line to succeed Mr. Simoneaux next year. The new vice-presidents are G. D. Van Wagenen of Minneapolis, who had been a wheelhorse in the organization of the Upper Midwest association, and H. G. Zimmerman, Des Moines. Herbert Cobb Stebbins of Denver was re-elected to his perennial position of secretary. As is customary, Mr. Brown went on the executive committee and H. E. Cragg, Wheeling, and S. H. Stewart, Tulsa, were reelected to it.

At the closing session, F. H. Calvin, Kansas City, executive vice-president Kansas City F. & M., praised the general agency system strongly and said his company is thoroughly committed to it. When Kansas City F. & M. started to expand, it studied the gen-

(CONTINUED ON PAGE 16)

Mass. Tornado Loss May Be \$25 Million

Michigan-Ohio Blow
Is Expected to Add
Another \$10 Million

The best estimate of insurance loss from the tornado in central Massachusetts last week is \$20 to \$25 million on 10,000 losses, though some underwriters who are widely committed in the area say it may exceed these figures as minor losses begin to come in from areas surrounding the Worcester, Holden and Shrewsbury sector that was the most violently struck. For example, a piece of the storm struck the Franklin, Wrentham section with damage to a number of buildings. This was accompanied by large size hail. Wind knocked over a dozen or so buildings and the country club at Exeter, N. H., the same day. Twenty-two Massachusetts communities were affected by the tornado.

It is probably too early to be too definite about the insurance loss also because many dwellings carried extended coverage on the building, especially if there was a mortgage, but not on contents. In addition, loss men are finding that the amount of EC followed the mortgage, and many dwellings insured with a substantial equity will have to shoulder a large part of the loss since so many dwellings were totally destroyed or badly damaged. Absence of EC on contents will also reduce the total insurance loss. The theory seems to have been in spite of heavy damage in the 1938, 1944 and 1950 big blows that contents would not be subject to heavy damage and dwell-

ings to minor roof, window, etc. loss only.

Assumption College at Worcester, which suffered a loss of about \$1 million, did not carry EC. The Norton Co. plant, where the loss is said to be \$1 million, is in the mutuals. Factory Insurance Assn. is reported to have escaped really heavy losses, many of its insured having escaped. It carried the Worcester city schedule, however, and one city housing unit was hit about \$250,000 worth.

Housing developments were the hardest hit, city, state and federal, at Holden, Shrewsbury and Worcester. Providence Mutual was said to be committed widely, and Worcester Mutual and Merchants & Farmers, the two home companies, faced a flood of claims.

A state housing unit at Worcester, with 66 houses of steel and brick construction, had every roof off, and glass driven into hard plaster which will mean redoing walls. Walls generally were left standing. Two mutuals and five stock insurers were on this risk. A federal housing project alongside was even harder hit. Many houses at Shrewsbury that were totally destroyed ran \$15,000 to \$25,000 in value but were badly underinsured.

National Board opened a supervisory office at Worcester, with Donald B. Sherwood, general adjuster, in charge, and General Adjustment Bureau put in 40 or more extra adjusters. In addition there are independents and many staff adjusters. Being so close to Boston, Hartford and New York, the area is getting plenty of adjustment

(CONTINUED ON PAGE 24)

U. A. Are Bugbear Initials for Industry at N.A.I.C. Parley

Both Property and Life
People Win Clashes
on Uniform Accounting
By LEVERING CARTWRIGHT

National Assn. of Insurance Commissioners in their final executive session Friday deleted the highly controversial report of a joint subcommittee that uniform accounting indications should be used as a guide in the determination of the expense portion of fire and casualty rates.

On the previous day the life insurance people also won a sharp struggle in the realm of uniform accounting when the uniform accounting committee voted to delete a section of its report setting up a U. A. subcommittee on life insurance.

Thus U. A. turned out to be the big issue of the week. While this was an



Wade Martin



D. D. Murphy

industry victory on two fronts and something of a setback for New York and Superintendent Bohlinger, it is expected that the latter will be loaded for bear at the Miami Beach meeting in September and the issue will bulk large there.

At the Friday session the elections went off as scheduled, with D. D. Murphy of South Carolina moving into the presidency; George Butler of Texas becoming vice-president, and Donald Knowlton of New Hampshire being named chairman of the executive committee. George Bowles of Virginia continues as secretary.

The winter meeting commences Nov. 30 at the Sans Souci at Miami Beach. The June, 1954, convention will be at the Sheraton Cadillac at Detroit, and the winter meeting that year at New York. Probably the 1953 June meeting will be at Seattle.

The mechanical setup at San Francisco couldn't have been improved upon. The reports were gotten out in jig time and in the greatest quantity. The San Francisco committee headed by James F. Crafts, president of Fireman's Fund, put on a demonstration of efficiency that will be a model. Metropolitan Life gets a large share of the credit for maintaining a steno-

(CONTINUED ON PAGE 32)

Late News Bulletins . . .

Leggett, Cheek and Taylor Are Chosen

Elected as members of the N.A.I.C. executive committee at San Francisco were C. Lawrence Leggett of Missouri; Waldo Cheek of North Carolina and Robert Taylor of Oregon. Going on the executive committee by reason of election from their zones are Bisson of Rhode Island; Leslie of Pennsylvania; Cravey of Georgia; Burt of South Dakota; Dickey of Oklahoma and Hammel of Nevada.

Mutual Catastrophe Plan Set Up

Mutual Fire Insurance Assn. of New England has opened a catastrophe office in Worcester and initiated its catastrophe plan. This is said to be the first time that the two catastrophe programs, National Board and the mutuals, were simultaneously put into effect.

Pennsylvania Legislation is Passed

The Pennsylvania department's bill to iron out operation of the 1949 multiple line law has been passed and sent to Gov. Fine.

New stock companies may be formed to write both fire and casualty. Under present law it is necessary to form either a fire or casualty company and then amend the charter to write multiple line.

New mutual fire companies must have \$25,000 for fire, \$25,000 for inland marine and \$25,000 for ocean marine, with the privilege of writing all three for \$50,000. The present law is not clear, but the department practice is to require \$25,000 for fire, \$50,000 for inland marine and \$50,000 for ocean.

For mutual casualty companies for each underwriting power the financial requirement would be \$10,000, except surety and fidelity and workmen's compensation where \$25,000 would be needed. In no event, however, could a mu-

(CONTINUED ON PAGE 36)

H. J. BurrIDGE, National Underwriter Chief, Is Being Saluted on His 40th Anniversary

Howard J. BurrIDGE, president of the National Underwriter Co. since 1945, will mark 40 years with the company on June 20. He has the longest service of any present member of the organization and his total was exceeded throughout the company's 56 year history only by the late C. M. Cartwright and E. J. Wohlgenuth, founder and first president.



H. J. BurrIDGE

It was just a few weeks before his 20th birthday that Mr. BurrIDGE, who had been clerking in a shoe store, went to work for what was then the Western Underwriter in Chicago. His mother, Mrs. Nellie W. BurrIDGE, a widow for many years, had been bookkeeper in the Chicago office and she had asked Mr. Cartwright to give her son a chance at an opening, knowing he had little opportunity and less happiness in his current work. A native of Philadelphia, Mr. BurrIDGE had gone to grade school there and had lived in Grand Rapids and Detroit, Mich., prior to his father's death, after which Mrs. BurrIDGE brought him and his sister, Mrs. Vera Baits, to Chicago. Mrs. Baits, now of Detroit, is a regent of University of Michigan. Their mother, incidentally, died only last year at the age of 82.

Despite his preoccupation with sales, Mr. BurrIDGE—characteristically—never lost touch with other activities

of The National Underwriter Co. He played a major role in the development of other publications, such as the "Diamond Life Bulletins", "Fire, Casualty & Surety Bulletins", "Little Gem", "Unique Manual Digest", "Accident & Health Bulletins", etc., and was responsible, in whole or in part, for the employment of many key men in the company. Thus, it was virtually inevitable that on the death of John F. Wohlgenuth late in 1944 Mr. BurrIDGE should succeed him as president.

Moving to Cincinnati in 1945, Mr. BurrIDGE tackled the postwar expansion problems of the company with characteristic vigor. He brought many new and young men into almost all departments and took part in a major reorganization of company depart-

This article is a composite of observations on Mr. BurrIDGE by the older men in the organization, mainly on the editorial side, and is presented as a collective estimate of his personality and service by those who have been closely associated with him over a period of many years.

ments which recognized, belatedly, that a small organization had grown into a large one. Despite the pressure of these duties, he continued as sales manager until 1950, when—undoubtedly with some nostalgia—he turned those duties over to Charles P. Woods. He still remains close to sales work and to the salesmen, even those who joined the company since he relinquished that responsibility; and those who have lived with him are certain that he will never lose that interest.

At Cincinnati, Mr. BurrIDGE had to meet new situations and new challenges. True, no one in the National Underwriter organization had been in closer touch with every aspect of the company's far-flung activities and its many divergent personalities. He was obviously qualified for his new responsibilities. Every experienced observer, however, knows that the gap between qualification and performance can be a great one. The Cincinnati office is a home office, in a sense which many insurance men readily understand. It does not have the hurried "deadline" atmosphere of the Chicago office. Further, it is primarily a publishing headquarters. Only a minority of its 175 employees feel close to the insurance business—most of them are specialists in one or the other of the many skills required in a modern home office. Most of the key people had an acquaintance with Mr. BurrIDGE, but they did not know him, in the sense that the Chicago editorial men and the field men did. The Cincinnati office had gone along for many years without many changes, as organizations sometimes do. Age, death and the realities of postwar expansion had caught up with the home office when Mr. BurrIDGE arrived. He probably did not move into an atmosphere of hostility, but certainly he was on trial, by people who did not know him well and who wondered what his presence and his authority would mean to them.

A key man in the Cincinnati office, who died several years ago, epitomized Mr. BurrIDGE's entry there: "The first day he was there, what a sight to see. He wasn't summoning people into his office to face an inquisition. He was wandering around the office, with his coat off, dropping in and talking to everyone—and the person's job made no difference in his attitude. From that time on, I knew everything was going to be good."

That story, repeated 100 or more times, is essentially the key to Mr. BurrIDGE's career as president of a major publishing company. Mr. BurrIDGE's humanity and his concern for human relations have impressed everyone with whom he has come into contact and have been the outstanding factor in maintaining the morale of the organization. Key men have learned that they can disagree with Mr. BurrIDGE and vice versa, but that he will back them to the hilt when they need support—in a business or in a personal matter. He is familiar with everyone's duties and is ready to offer comment and suggestions, but he is not dogmatic or autocratic. He never hammers through a course of action to which an affected key man offers a reasonable objection. Instead, by discussion and compromise, he works out a mutually acceptable solution, to the satisfaction and profit of everyone.

Mr. BurrIDGE's administrative duties have kept him from mingling with insurance men as much as he used to, but he still attends an occasional convention and frequently calls on insurance people during his visits to New York, Chicago and other cities. Insurance men visiting Cincinnati find his door open, whether he knew them previously or not, and quickly learn that he is still in close touch with every facet of the business.

The BurrIGES live in the Hyde Park section of Cincinnati with their daughter, Ann, who graduated last year from Goucher College in Baltimore. John, their oldest son, now assistant editor of THE NATIONAL UNDERWRITER and editor of the "Accident & Health

Treasury Issues New List of Surety Qualifying Powers

The latest list of companies that are qualified to furnish bonds to the U. S. government, along with the underwriting limitations of each company, or the net limit on any one risk has now been released by the Treasury Department. The underwriting capacity figure is 10% of the surplus to policyholders at Dec. 31, 1952. Formerly the Treasury issued this list twice a year, the second being based on the June 30 figures, but the mid-year list has now been omitted.

The only company that was on the list last year that is not on the list this year is Alliance Mutual Casualty. Companies newly on the list are American Aviation & General, Equitable F. & M., General Fire & Casualty of New York, North River, North American Fire & Marine Reinsurance, Pacific of Hawaii, Sea, U. S. Fire, Western Fire of Kansas and Westchester.

In the following table, in the left hand column are shown the qualifying powers in the 1952 list and to the right are the powers in the current list:

	1952	1953
*Acc. & Cas.	262,000	307,000
Aetna Cas.	5,461,000	6,166,000
Aetna Fire	4,206,000	5,167,000
American Auto	2,227,000	2,327,000
Amer. Bond	284,000	300,000
Am. Av. & Gen.		270,000
Amer. Cas.	758,000	899,000
Am. Credit Ind.	1,005,000	1,026,000
Amer. Empl.	1,046,000	1,134,000
Am. Fidelity	147,000	159,000
Am. General	612,000	685,000
Am. Guarantee	238,000	436,000
Am. Indem.	291,000	319,000
Am. Motorists	400,000	400,000
Am. Mut. Liab.	2,074,000	2,025,000
Am. Reins.	1,693,000	1,750,000
Am. States	389,000	484,000
Am. Surety	2,047,000	2,005,000
Anchor Cas.	279,000	265,000
Assoc. Ind.	834,000	823,000
Automobile	2,856,000	3,165,000
Auto-Owners	697,000	767,000
Boston	2,617,000	2,850,000
Buckeye Union	395,000	470,000
Camden Fire	1,166,000	1,267,000
Capital Ind.	51,000	52,000
Car & General	163,000	179,000
Carolina Cas.	80,000	70,000
Central Sur.	564,000	579,000
Century Ind.	751,000	885,000
Citizens Cas.	119,000	135,000
Columbia Cas.	572,000	565,000
Commercial	956,000	1,021,000
Comm. Std.	231,000	276,000
Conn. Fire	2,527,000	2,739,000
Conn. Indem.	492,000	519,000
Continental Cas.	3,379,000	3,692,000
Employers Cas.	445,000	472,000
Employers Fire	655,000	722,000
*Empl. Liab.	2,004,000	2,281,000
Empl. Mut., Ia.	546,000	630,000
Empl. Mut., Wis.	2,034,000	2,301,000
Empl. Reins.	710,000	1,008,000
Equit. F. & M.		968,000
Eureka Cas.	165,000	180,000
Excess	220,000	197,000
Farmers Elev. Mut.	42,000	54,000
Federal	3,131,000	3,406,000
Fid. & Cas.	5,465,000	6,466,000
Fid. & Dep.	2,651,000	2,863,000
Fire Assn.	2,374,000	2,609,000
Fire Fund. Ind.	1,589,000	1,221,000
Founders	197,000	180,000
Franklin Natl.	481,000	524,000
Gen. Cas., Wash.	933,000	908,000
Gen. Ins., Seattle	3,168,000	3,639,000

(CONTINUED ON PAGE 29)

Review" at Chicago, attended the University of Chicago before entering the army in 1941. Robert, also a war veteran, graduated from University of Missouri and is now an examiner in the western department of the Crum & Forster group at Freeport, and Richard, who graduated from University of Colorado, is now with Northern Trust Co. in Chicago. Six grandchildren occupy much of the attention of Mrs. BurrIDGE, whom many veteran insurance men recall as librarian of the Insurance Library of Chicago.

In his early days on THE NATIONAL UNDERWRITER editorial staff, Mr. BurrIDGE's youthful appearance often gave people a deceptive impression of his ability as a reporter. One time he was interviewing the actuarial vice-presi-

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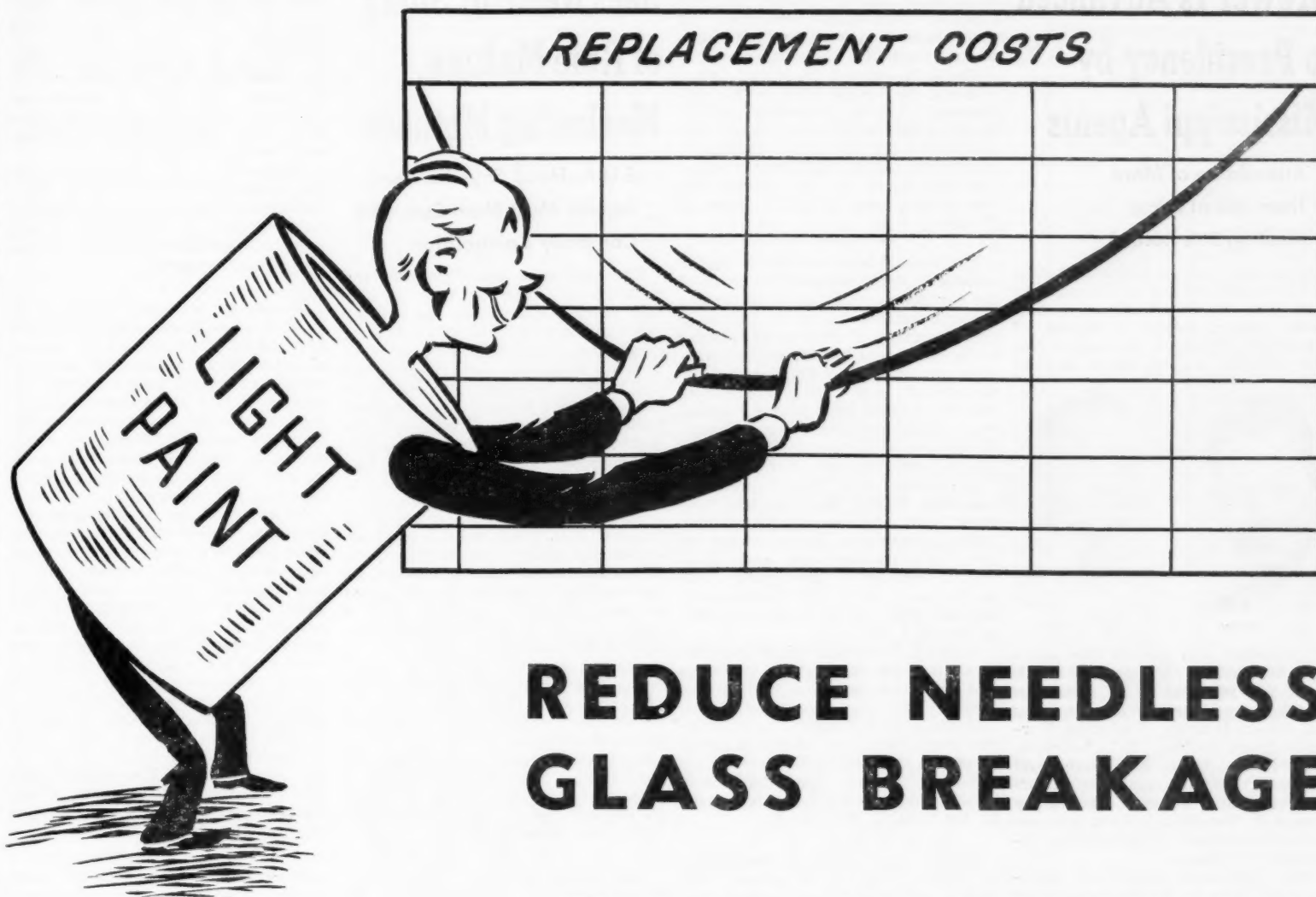
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Brewer Is Advanced to Presidency by Mississippi Agents

Attendance of More Than 400 at Biloxi Meeting Sets Record

Mississippi Assn. of Insurance Agents at its annual meeting at Biloxi, with more than 400 in attendance, a new record, elected David J. Brewer of Greenwood president, succeeding Neville G. Allen, Laurel. Harris Holland



David J. Brewer



Neville G. Allen

of Columbus was elected vice-president to succeed Mr. Brewer. E. H. Ruble was reelected to his fifth term as state national director. New directors are: Robert Brannin, Starkville; Warren Jackson, Gulfport; S. L. Langston, Shaw; Duncan Davis, Brookhaven, and Wirt A. Yerger, Jackson. The officers were installed at the banquet by George F. Woodliff, Jackson attorney and vice-chairman of Mississippi insurance commission.

The association commended Commissioner Davis for the fine cooperation it has received and expressed its regrets that its convention date conflicted with the N.A.I.C. meeting and that Mr. Davis therefore could not be in attendance.

Another resolution called on the companies to eliminate a ruling with reference to rating farm trucks belonging to partnerships and corporations, which was called discriminatory as compared with farm trucks insured by individuals.

The association expressed its ap-

preciation to Julian Carroll of Mississippi State Rating Bureau and the company conference committee for their cooperation with the agents conference committee the past year.

The J. H. Johnson Memorial Award was won by Neville Allen for his outstanding work in promoting and effecting a fine relationship between the agents and the insurance department. This is the second year that the award has been made, the first winner last year having been Julius G. Berry of Tupelo.

President Allen reported a highly successful year, stressing the work of the education committee in promoting a comprehensive insurance course at the University of Mississippi, leading to the equivalent of a degree in insurance. On completing this course, the department will upon application, without further examination, award local agents' licenses to the graduates. This is one of the first states to award licenses based on college training.

A comedy skit, "The Impossible," presented Friday, was written, produced and acted by C. E. Johnson, Atlanta, executive special agent of New York Underwriters, assisted by Everett Johnson of Montgomery, also special agent for N. Y. Underwriters, and Mrs. Margaret Shadoin, local agent of Bay St. Louis.

Louie E. Woodbury of Wilmington, N. C., member of the N.A.I.C. executive committee, spoke on "Selling—the Modern Way" and gave many helpful pointers. Hoyt T. Holland, Jr., of Jackson, special agent for Holland & Gates, spoke on "Account Selling" and Zach Taylor of Jackson, Mississippi's only C.P.C.U., discussed the progress made by the C.P.C.U. movement.

At the Saturday session the American Fore group color sound film, "Peace of Mind," was shown and James F. White, advertising director of Maryland Casualty, spoke on "A New Perspective on Local Agency Advertising."

Concluding that session were two panels devoted to reviewing the automobile assigned risk situation and the automobile liability rate and safety problems. Participants were I. A. Rosenbaum, Jr., Meridian; David Brewer, Greenwood, George Saucier, Jackson, director Mississippi Safety Responsi-

(CONTINUED ON PAGE 28)

Sees Need for Study of Rate Making, Marketing Methods

E.U.A. Head Says Insurers, Agents Must Meet Specialty Company Competition

The need of a real forum for the exchange of ideas by fire, casualty and marine executives, the proper gathering and efficient production of experience figures, the elimination of wasteful processes, and the problems and costs of marketing, especially in the automobile liability field, occupied Donald C. Bowersock, president of the Boston, in his presidential address at the midway meeting of Eastern Underwriters Assn. at Pocono Manor, Pa. More than 100 attended.

In the first place, an organization is essential in which senior executives can discuss broad, basic problems, Mr. Bowersock commented. To succeed, its membership should not be dominated by representatives of any one class of business, since so many problems overlap. If this can be accomplished, to the extent there is a meeting of minds on important matters rather than formal agreements, there will evolve in a natural sort of way a basic business philosophy. This will be of tremendous value to the public and to all phases of the business. Many executives want a real forum for the exchange of ideas. He suggested more will be heard about this in the immediate future.

The business seems to exist on statistics; consequently, they should be the best. There is nothing local or regional about statistics, though there are a number of statistical organizations of varying capacity and qualifications. In some classes there are more statistics than can be used and in others they are seemingly inadequate.

Why have a number of statistical bureaus serving capital stock insurers? With one for all classes of business, under the very best underwriting and statistical minds available, the experience data would be of great help in

arriving at conclusions of importance. Some new electronic machines which may be of value to insurance are so expensive that certain statistical organizations in operation today could not afford them nor the manpower to run them. But with a consolidated statistical organization, such machines may prove economical because they could be used to capacity.

Occasionally, new statistical facilities are set up because members controlling those now in use do not extend their services to companies writing forms of insurance not written by the majority of companies.

One danger in applying statistics is the inclination to take actuarial figures as being all persuasive in the making of rates. Fire and casualty are too volatile and catastrophic types of business to do this. Many factors go into making rates that are more important than the statistics. Rates can never be exactly scientific because so much reliance must be placed upon trends, exposure and judgment.

An important key to successful statistics is classification of business. What constitutes credibility is a recurring question. Certain classes of business continue to carry other classes. Many reasons have been given in the past for the need of this, but with a sound approach, the time may come when each major class will contain a normal underwriting profit factor and no more. Insurers may combine a number of miscellaneous classes to develop a profit over-all rather than by sections within the framework of that classification. The concept that certain classes must support others has produced much of the unbalanced situation of today, he said.

Commissioners have talked about and insurance people have been studying expenses, how to reduce them and how to allocate them. Sound allocation of expenses is good but there can be criticism of any philosophy which tries to produce results with the degree of detail similar to that used in public utilities. Insurance is a different business and it must be so recognized.

However, the business can answer for itself such questions as:

Why have forms, clauses and endorsements printed separately in different

(CONTINUED ON PAGE 29)

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Skim Close to Permissible Loss Ratio Shoals

A. & H. Leaders Succeed in Removing Part of Curse from Report

At the N.A.I.C. meeting at San Francisco there was a lot of sweat exuded, if not blood and tears, on the report of the sub-committee on A. & H. policy benefits in relation to premiums. This committee started off with a report that it had agreed upon in executive session in which were included certain figures pertaining to loss ratios under accident and health policies. This gave the industry people the fits.

The sub-committee had gone to some pains to say that these figures did not constitute a permissible loss ratio, but there were certain recommendations about what an insurance department ought to do if it found a policy that is going to produce an "ultimate credible loss ratio" less than the figures contained in this report. Hence there commenced a struggle that continued throughout the week.

It was obvious that the commissioners were bound and determined to take some action and that they were going to stand by these figures, but the industry committee did succeed in getting a considerable modification of the language that preceded the figures. The final report said that the N.A.I.C. sub-committee concurs in the industry sub-committee recommendation that the matter of handling policy forms must be at the individual state level and that no loss ratios should be fixed by the N.A.I.C. as the absolute minimum for any policy where automatic disapproval is to follow.

The sub-committee also concurred in the recommendation that any minimum recommended should go no further than to serve as a "bench mark" which would create a possible presumption that "the benefits are unreasonable in relation to the premiums charged." Hence the figures that are mentioned should be considered as a "bench mark" at which point individual state departments should consider such action as they deem proper under their statutes.

It is recommended that where the benefits of a policy (including dividends to policyholders) produce an ultimate credible loss ratio lower than the following stated percentages there is created a possible presumption that the benefits are unreasonable in relation to the premiums charged. Also there was an inserted a disavowal of "any intention to regulate rates."

Ultimate credible loss ratio is defined as one based on a representative premium volume of substantially similar policy forms with proper weight given to higher first year expense if any, trends and other relevant factors.

The loss ratio figures, which were included in last week's account of this meeting are for an annual single premium of \$5 or less accident only, 25%, A. & H. 40%; \$5 to \$10 premium, 35 and 40% and over \$10, 45 and 50%. Also where premiums over \$10 are payable monthly or more frequently there is to be deducted five percentage points.

In one session of the A. & H. committee on this matter, Navarre of Michigan advocated modification of the sub-committee report. He said that the use of language was poor. Also he suggested that there be included a statement that N.A.I.C. disavows any intention to regulate A. & H. rates. This got the dander up of Leslie of Pennsylvania who said: "We in Pennsylvania intend to regulate A. & H. rates. We don't want to disavow this."

Frank Fullenwider of California said that the report was being run through a sieve. He objected to the use of the

word "materially" so that any loss ratio departing "materially" from the figures in the report would cause eyebrows to be raised. He said that this would make the whole thing a nullity. Mr. Navarre said Mr. Fullenwider's position was ridiculous. Language has to be used that is applicable to the problem. Using the word "materially" doesn't take the meat out of it, he contended.

Bruckner Chase, local agent, has been elected a director of Memphis Sales Managers Club.

Honor 50-Year Service

Firemen's was host at a dinner at Boston honoring Dewick & Flanders for 50 years representation of the company as general agents. Talks were given by President John R. Cooney and Vice-president W. J. Christensen of Firemen's and Frank A. Dewick and Benjamin W. Pepper, partners in the general agency.

Kenyon Parsons, local agent of Jacksonville, Fla., has been appointed honorary vice-consul for the Republic of Finland. He is chairman of the Chamber of Commerce maritime committee, treasurer of Foreign Trade Council, director of Propeller Club and a director of Jacksonville Seafarers.



Progressive Protection since 1799

The passing years bring an aura of high adventure and romance to many a long forgotten tale of danger and death. However, swashbuckling pirates* who preyed upon the thriving trade between New England and the Barbadoes, were a fearsome risk, when Providence Washington wrote its first policy at the Coffee House in 1799.

Today's cargoes and carriers, by land, sea and air continue to get dependable protection from point of origin to final destination, when the insurance is placed with Providence Washington.



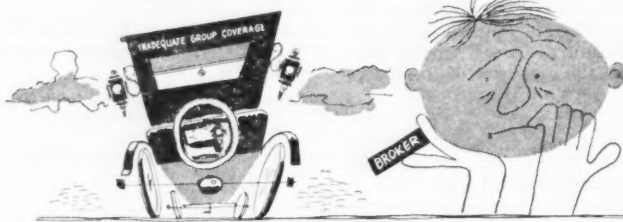
**PROVIDENCE
WASHINGTON**
Insurance Company

1799

*Old records reveal that the directors of the Providence Washington voted to award \$300.00 (a princely sum in those days) to Mate Edward Dobson of the Brig Crawford for "the Saving of the Brig and Cargo from the late scenes of Piracy And murders Committed on board that Vessel".

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If you want to win profits and influence clients, you'd better trade-in "jalopy" group coverage for a smooth streamlined plan. Group plans that are out-of-date in view of increased costs of sickness, accident and hospitalization bring you little but headaches and dissatisfied clients. It's well worth while to make sure you're familiar with Mutual of Omaha's streamlined employee group plans.

ALSO—

Increase your service, reputation, and profits. Mutual's Group coverages are written with a realistic eye on today's higher costs. Mutual of Omaha's Group Division offers you valuable service in these ways:

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Mutual of Omaha is the largest exclusive health and accident company in the world. Over two million policyowners are now protected individually with Mutual of Omaha, which has paid more than \$470,000,000 in benefits.

YOU WANT SERVICE

The tremendous storehouse of knowledge gained through Mutual of Omaha's health and accident experience is yours through its many Group Field Offices.

YOU WANT SPECIALIZATION

Mutual of Omaha sets the pace in the health and accident field. It writes ONLY health and accident, hospital, surgical and related risks.

YOU WANT COMMISSIONS PROTECTED

Mutual of Omaha protects your commissions by single case "Agent of Record" contracts.

YOU WANT MAXIMUM BENEFITS FOR YOUR CLIENT'S PREMIUM DOLLAR

Mutual of Omaha writes complete, economical group coverage for both employees and their dependents. Its plans can cover health and accident; hospital, surgical, medical, hospital incidental expenses; accidental death and dismemberment; poliomyelitis; and other special coverages. Let us supply you with full details.

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H. F. Hines Elected S.E.U.A. President

H. Faison Hines of Hines Brothers, Atlanta, was elected president of Southeastern Underwriters Assn. at its annual meeting at Hot Springs, Va., succeeding B. C. Vitt, president of



H. Faison Hines



John A. North

American. Mr. Vitt served two years as president of the association, following two years as vice-president.

John A. North president of Phoenix of Hartford, was elected vice-president. W. W. Sampson was reelected manager for the seventh time.

Mr. Hines and his brother, J. Harrison Hines, are joint managers of the southern department of Crum & Forster, which he has represented since 1919. Hines Brothers established the Texas department of Crum & Forster in 1921, and two years later removed to Atlanta to establish the southern department.

The semi-annual meeting of S.E.U.A. will be held at Pinehurst, N. C., Oct. 19-21.

Va. Underground Coal Mine "Comp" Rates Increased

RICHMOND—Higher rates on workmen's compensation insurance on underground coal mines have been approved by Virginia corporation commission, effective July 1. At the same time, the commission approved a reduction in occupational disease rates for surface mines and a new rate-base plan segregating large and small mines on a payroll basis.

The commission boosted the catastrophe loading of underground mines from 15 to 25 cents per \$100 of payroll and the occupational disease rate from 4 to 10 cents per \$100 of payroll.

The commission reduced the occupational disease rate for surface mines from 2 cents to 1 cent per \$100 payroll. The catastrophe loading was left at 1 cent per \$100.

Separate rate bases were set up for the first time for large and small mines. Under the plan large mines will be those with more than \$30,000 annual payroll and small mines those with less than that amount.

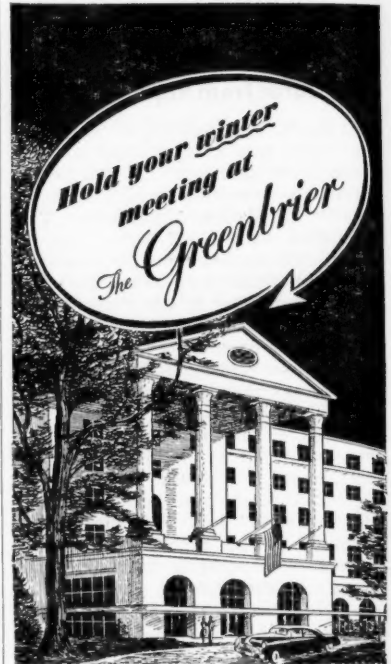
The commission's action was taken at the request of Bituminous Casualty, Coal Operators Casualty and Eureka Casualty.

West Texas State Agent

Robert E. Kettle has been appointed state agent in west Texas by New York Underwriters. After extensive training at the home office he served as special agent in New Jersey. His headquarters will be at 3720 31st street, Lubbock.

F.R. Bill for D.ofC.

WASHINGTON—A financial responsibility bill for the District of Columbia has been introduced in Congress by Senator Beall and Rep. Talle. Little if any chance for its enactment at this session is seen.



Enjoy this superlative resort at a LOW Group RATE

There is no finer place to hold a group meeting—this magnificent resort hotel with every facility and a resourceful staff. Superb food and service. Golf on championship courses (playable two thirds of the time during winter). Swimming in indoor pool.

Now you can enjoy all its advantages during the winter at an all-inclusive group rate which covers room, meals, golf, swimming, Old White Club, meeting rooms, gratuities to dining room personnel, maids, bellmen on arrival and departure.

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Both Competition and Cooperation Needed, Christensen Feels

Insurance will be, as it has been in the past, an essential factor in the future economic expansion of our nation because of the protection it gives American industry and the American public against unexpected financial loss.

Frank A. Christensen, president of America Fore, so stated in an address, "After a Century of Service We Look to the Future," published as part of the 100th anniversary observance of Continental and Fidelity-Phenix.

Touching on certain insurance principles that will serve as guides for the future, Mr. Christensen states that the insurance industry "started and has developed as a competitive business", and that it should be "continued with the maximum amount of competition consistent with the public interest." He points out that due to the distinctive nature of the business, there are certain phases which should not be competitive; that it is both "necessary and desirable to combine our underwriting experience with the experience of other insurers;" that the insurance business will be "simplified and strengthened as a result of such joint efforts and the policyholders are better served thereby;" that in the final analysis "competition and cooperation in the insurance business are not contradictory concepts."

Speaking about regulation of insurance, he says: "We subscribe to the principle of reasonable and intelligent regulation of the insurance business and in the maintenance of rigid minimum standards which all must meet who propose to engage in the business of underwriting." He does not believe, however, that insurance "needs protection from itself by means of legislation designed to transfer important management functions to regulatory authorities."

In describing the local character of the insurance business, he points out that approximately 91 cents of every premium dollar collected at the community level goes back into that community as claims payment, taxes, compensation to local agents and salaries of local representatives.

The stockholders, together with the policyholders, employees and agents, President Christensen asserts, are partners in the business and to each management has a certain obligation. To the stockholders must go a measure of profit for their investment, to the policyholders must go the highest form of security so that any loss which they suffer can be met promptly and in full, to the employees must go adequate compensation for their efforts, and to the agents must go the same loyalty they give to the company.

Looking to the future, Mr. Christensen recognizes what the growing prosperity of the nation, the expansion of our American economy, the rapidly multiplying population will mean to insurance. Housing facilities, he says, are inadequate and will necessitate in 1975, with an estimated 200 million population, no less than 10 million additional housing units, as well as prosperous industries to supply the materials. "If the present relationship between population and registration of privately owned motor vehicles

is maintained there will be approximately 9 million more such vehicles on the road in 1975 than there are today and our highways will necessarily have to be modernized and enlarged."

B. & M. Shifts at Detroit

J. J. Malone, who has been senior inspector in the Detroit branch of American Guarantee & Liability, has been made superintendent of boiler and machinery production and underwriting in that territory. R. H. Hesterberg, who has been attached to the Detroit staff as an inspector, becomes senior inspector there.

Des Moines Assn. Elects

Paul Raines, Hoosier Casualty, was elected president of Des Moines Assn. of A. & H. Underwriters at the annual meeting. Aaron B. Coonce, Washington National, was named vice-president, and Pete Romano, secretary.

Allen C. Guy, regional supervisor of Western Adjustment at Columbus, spoke before the Kiwanis Club of Findlay on "Catastrophe Loss Adjustment Procedure."

White Gives Producers Sales Ideas on U. & O.

David C. White, manager of Caledonian American, New York City, discussed business interruption coverage at a meeting of Brooklyn Insurance Brokers Assn. The best way to approach the sale of U. & O. is to explain to the prospect that a fire would destroy his physical property but during the time his business is closed down, he will be losing the income. It has been found best to suggest to the prospect that the producer get in touch with the prospect's accountant for the proper basis of coverage.

A little used type of U. & O. is the contingent variety, he said. Only in recent years has it attracted much interest. Here it is necessary to get the names of suppliers and their location, which appear in the policy. The coverage is at the supplying plant. An example of the cover would be a mercantile insured who has on order several thousand dollars worth of refrigerators. If the plant manufacturing them is unable to deliver the refriger-

erators because of a fire, insured is unable to continue in business.

About 50,000 stores burn each year, he said, and scarcely 50% of them are able to resume operation because of lack of financial resources. He emphasized the importance of U. & O. to cover situations where bottlenecks are apparent or where heavy peak periods are encountered.

Tierney Washington Head

American Foreign Insurance Assn. has appointed John F. Tierney manager of its service office at Washington, D. C. He replaces A. E. Lampe, who is being transferred to California as Pacific Coast manager, with headquarters at San Francisco.

Mr. Tierney entered insurance in 1946 with Government Employees Ins. Co., after four years in the air force. In 1949 he joined the McLaughlin Co., Washington agency, serving as chief underwriter on a multiple line basis, and later assistant secretary. He joined A.F.I.A. last November.

The Weisensel & Weisensel agency, La Crosse, Wis., has purchased the Dubraks agency there.

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New "Career" Section Added to A. & H. Bulletins

The sales service of the Accident & Health Bulletins, issued by The National Underwriter Co., Cincinnati, will now be augmented with a "Career" division. The new division will extend the bulletin service as a continuous, progressive, advanced self-improvement program in practical A. & H. selling, in addition to its regular function of serving as a perpetual clearing house of A. & H. sales information. The new division will contain training and study material, questions for advanced study from month to month, and other A. & H. career information.

The career division is a development with the growth of the business, to fill a desire among established as well as new agents for a continuous flow of general career material of interest to career A. & H. underwriters. The division will operate in conjunction with the other parts of the Accident & Health Bulletins, thus providing a veritable encyclopaedia of A. & H. information as the background.

The new division grew from the monthly study quizzes that have been a part of the bulletin service since November, 1951, as a step in meeting the career need with practical, working A. & H. sales knowledge. The quizzes, in augmented form, will be included now in the career division as continuing series.

The quizzes draw on the informative resources of the sales service through the volume of accumulated bulletins, also through the continuing service of the monthly supplements of new and revised information. The location of each answer is indicated under each question, and this necessarily requires a reading of the respective bulletins to obtain the answers. This serves a two-fold advantage for users—it encourages them to attain the utmost benefit from the bulletins, and it enables them to acquire in an easy way an ever-growing fund of knowledge as to practical and successful sales ideas and other factual sales information.

Three features of the over-all career program are: (1) It is a continuous program; (2) it provides a clearing house of the best ideas that others

have used; (3) the information gained can be used right away in making sales.

The A. & H. Bulletins are now in their 29th year. They include the large sales service volume, also a two-volume policy service that describes commercial A. & H. contracts of 110 companies.

Ga. Agents Protest Cut in Highway Safety Funds

Georgia Assn. of Insurance Agents has protested to Governor Talmadge the contemplated reduction of \$156,000 in the budget of the Georgia Safety Patrol. The agents call attention to the increased number of insured automobiles since the passage of the financial responsibility law, and state that the law cannot be adequately enforced unless manpower and equipment in the bureau of safety responsibility is increased. A reduction in the administration and enforcement of the SR law will tend to reduce the insurance coverages necessary to comply with the act, the agents contend. A 50% reduction, bringing the number of insured cars back to pre-1951 level would mean a loss of revenue in premium taxes of more than \$225,000, in excess of the contemplated reduction.

Hoosier Cas. Names Morris

Henry W. Morris has been appointed Indiana group manager of Hoosier Casualty. He has been in insurance for 25 years, beginning with John Hancock and Bankers Life of Iowa. More recently he has been an independent consultant on employee benefit plans.

Canada H. & A. Names Two

Canada Health & Accident has appointed W. J. Martin as second vice-president, and Milton G. Burt has been elected a director.

Mr. Martin, recently retired general sales manager of Beatty Bros., has been a director of Canada H. & A. for a number of years. Mr. Burt is a vice-president of Saint Hill-Levine.

Sept. 1 Date for Indiana Hike

The boost in Indiana Blue Cross rates, reported unofficially in a recent issue, is to become effective Sept. 1. On the standard policy single member monthly rates go from \$1.60 to \$1.80 and family membership from \$4.40 to \$5.45. On comprehensive memberships, single members will get a hike from \$1.95 to \$2.20, and families from \$5 to \$6.20.

FIELD

Iowa Field Groups Elect Hartman and Sellers

Iowa Fire Underwriters Assn. and Iowa Fire Prevention Assn. elected officers at their annual meetings last week at Clear Lake. The main speaker at the fire prevention session was Richard E. Vernor of Western Actuarial Bureau.

The fire underwriters group elected O. E. Hartman, Springfield F. & M., as president; W. E. Kent, Commercial Union, vice-president; M. J. Manning, Royal-Liverpool, secretary, and H. J. Lussem, Sun, public relations chairman.

The head man of the fire prevention association is J. E. Sellers, Boston. W. Darby Miller, Agricultural, is vice-president; W. E. Hensen, Loyalty group, secretary and R. L. Aschim, National Fire, assistant secretary.

R. W. Dunker, Glens Falls, S. W. Elder, Albany, W. F. French, Loyalty group, received special awards for meritorious service from Mr. Vernor.

Mich. Field Men Elect Fred Krussman President

Fred Krussman, North British, was elected the new president of Michigan Fire Underwriters Assn. last week at the Port Huron annual meeting. C. C. Ippenlatz, Crum & Forster, is vice-president, and Harry Pollack, New Hampshire, is secretary. The group took in four new members and heard a talk on underwriting problems by C. H. Metzner, assistant manager of Western Underwriters Assn. Mr. Metzner put some emphasis on obtaining insurance to value.

One of the unexpected high-lights of the meeting was the appearance about five miles away of the tornado that hit Flint, Tawas City and other spots in Michigan. While the field men were on the veranda of the Gratiot Inn, they saw the tornado dissipate over Lake Huron.

National Capitol Election

National Capitol Blue Goose at its annual meeting at Washington, D. C., elected George F. Allebach, Insurance Rating Bureau of the District of Columbia, as the new most loyal gander. Other new officials are: supervisor, James A. Willey, attorney; custodian, William R. Finnie, Fireman's Fund; guardian, J. Monroe Hunter, Jr., Great American; keeper, Frank E. Nussbaum, Home; wielder, John Brenner, General Adjustment Bureau.

Fred Bunting, past most loyal gander, was elected delegate to the grand nest.

New Oregon Pond Officers

Oregon Blue Goose has elected Herb Ballin, Jr., most loyal gander; Carl Linnman, supervisor; A. Gordon Fraser, custodian; Warren E. Johnson, guardian; Francis D. Ethier, keeper, and Robert A. Stahl, wielder.

Thirty-five new members were initiated, which brings the pond's roster to a new all time high. Lester Large is retiring most loyal gander.

Wright Named in Ore.

American has appointed Jack J. Wright special agent in Oregon, assisting William H. Breeden, state agent.

Mr. Wright, who served in the air corps during the war, is a graduate of the University of Washington. He was

with Oregon Rating Bureau and with a prominent Portland agency.

Mantz Elected to Head Tenn. Fire Underwriters

Tennessee Fire Underwriters Assn. meeting at Fontana Village, N.C., elected G. Wesley Mantz, New Hampshire Fire, as the new president to succeed Glenn Glover of Home. The other officers are: vice-president, W. C. Waller, Hanover; secretary James G. Hughes, Phoenix of London. The association voted in six new members.

The Tennessee Blue Goose elected Mayhew Jones, Springfield F. & M., as most loyal gander, and initiated ten new goslings. Henry Roberts, Nashville general agent, retired as wielder after seven years.

The fire prevention meeting was presided over by John W. Garton of Commercial Union in the absence of William Rhett, Cherokee of Nashville.

The principal talk at the fire underwriters meeting was given by C. H. Metzner, assistant manager of Western Underwriters Assn., who discussed underwriting problems with special emphasis on insurance to value.

Sleight Is Ohio Director for State Farm Companies

Norman R. Sleight has been named Ohio state director for the State Farm companies of Illinois, with headquarters at Columbus. The companies were licensed in Ohio last April.

Mr. Sleight joined State Farm in 1946, serving as a producer and as an assistant agency manager. He is a C.L.U.

Ohio is the first state in which State Farm's operations will be planned on the auto, life and fire multiple line agency basis from the start.

The Philadelphia office of Appleton & Cox on June 29 will move to larger quarters at 2518 Lewis Tower building. The office has been in the Public Ledger building. Charles W. Barclay is manager.

Ohio Valley Automobile has changed its name to Ohio Valley Ins. Co. and has moved from East Liverpool, O., to Cleveland.

Sterling Sasser, Austin, Tex., local agent, has erected his own building, which is air-conditioned, and has moved his agency to it.

Mrs. Beulah Campbell has purchased the C. D. Bray agency, Campbell, Mo., of which she had been an employe for many years.

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Lausche Puts His Finger on Auto Business in Ohio

COLUMBUS—Ohio insurance men are reported marshalling facts and figures in case a full scale investigation develops from Gov. F. J. Lausche's recent memorandum to the superintendent of insurance expressing his concern with what he says might be a growing "haughty attitude" on the part of automobile insurance companies. Mr. Lausche said letters from private car owners complaining that their insurance has been cancelled have been coming to his desk regularly since March 1, the date Ohio's new financial responsibility law went into effect.

Superintendent Robinson has been asked to watch for evidence of insurance companies "selecting their clientele." The governor's memorandum suggests that some future action might be necessary.

Ohio Assn. of Insurance Agents is known to be canvassing its membership to learn whether agency companies are rejecting much business and other information about the automobile insurance market. More than 400 of the association's 1,750 members are understood to have responded and preliminary studies of these returns are said to indicate that agency companies are accepting between 92 and 94% of all applications. It is also reported that the association's survey has shown a ready willingness on the part of member agents to handle assigned risks for automobile owners.

One observer says the difficulty may stem from the activities of certain insurers, who, he says, use their "elaborate" classification systems to take off the cream risks, rejecting less desirable business out of hand. The same individual says personal "exploratory" visits by insurance men to offices of certain insurers tied to merchandising operations developed the information that production offices of these insurers will not provide assigned risks service. The usual advice, he says, is that the applicant get in touch with an insurance agent for assigned risk service, some representatives of their carriers even going so far as to furnish names of agents who have expressed a willingness to handle such business.

Report Developments in United Benefit Program

At the San Francisco meeting of N.A.I.C. the subcommittee reported on the program of Mutual Benefit H. & A. to acquire the complete ownership of United Benefit Life. Presently, Mutual Benefit owns 63% or 63,000 shares of United Benefit. The subcommittee said that all possible efforts have been made by Mutual Benefit to acquire the outstanding stock of United Benefit but they have met with but limited success lately. All offers have been at the price of \$268.20 per share. Appropriate legislation has been passed in Nebraska and arrangements have been made for additional financing by surplus notes so that sufficient funds are available to consummate the purchase of practically all the remaining United Benefit stock at this price when available.

The subcommittee said there are shares of United Benefit stock that are still owned by members of the agency force of either or both companies, and by persons serving in executive and managerial positions and these holdings constitute conflicts of interest. The

committee, among other things, recommended that Mutual Benefit make every effort to purchase as soon as possible at a consistent price every share of stock from every person where the continued holding of that stock by that person may constitute a conflict of interest. The committee said the management has shown good faith in its efforts to consummate the complete acquisition of stock.

Mass. Increase Shaved

Commissioner Cogswell of Massachusetts has approved workmen's compensation rates filings that produce an average increase of 4.3% effective July 1. The original filing which he turned down, was for 7.6% increase and was to have been effective June 1. Mr. Cogswell allows profit and contingency factor of only 1.5% instead of the 2.5% that was asked for and this accounts for most of the difference. Also the bureau gave up a lot of its demand for credit for 1952 calendar year indications.

Aetna Centenary Bonus

Aetna Life on its 100th anniversary made a \$100 payment to its 10,000 salaried employees.

Lamar to American Auto as Detroit Chief

Richard J. Lamar has been named fire and marine manager at Detroit for American-Associated. He is a graduate of Detroit Institute of Technology and Detroit College of Law, and started in insurance in 1934 with Northwestern National at Detroit. He joined New Amsterdam Casualty in 1943, and the following year went with Loyalty group as special agent, later becoming Detroit manager.

The Detroit office will be the third field unit of American-Associated to expand facilities to complete underwriting of the fire and marine lines. Similar facilities have already been established at Seattle and Saint Louis.

N.B.&M. Man Robbed

George Gable, a cashier for North British & Mercantile, was attacked and robbed of \$3,600 as he was enroute from the ninth to the 10th floor at 150 William street, New York, to distribute pay envelopes. The assailants were on the stairway and had loosened the light

bulbs so as to darken the area. Mr. Gable was sent to Beekman street Hospital for x-rays.

Cincinnati Buyers Map Conference Card Sept. 16

The Cincinnati chapter of National Insurance Buyers Assn. has completed its program for a conference Sept. 16.

Arthur Melling, Montreal, will talk on excess insurance and reinsurance. W. T. McWhorter, Procter & Gamble, will moderate a fire and allied lines panel, his aids being P. M. Gwalney, Jr., Chubb & Sons; C. N. Mullican, Jr., Fireman's Fund; P. R. Schindle, Youngstown Sheet & Tube, and G. E. Salzman, Thos. E. Wood agency, Cincinnati.

Henry Reichgott, second vice-president of Equitable Society, will talk on social insurance and pension plans and a panel on casualty will follow, moderated by C. H. Thiele, Federated Department Stores. Members of the discussion group will be H. P. Stellwagen, executive vice-president Indemnity of North America; A. F. Noll, senior vice-president Liberty Mutual; G. E. Rogers, Robert Gair Co., New York, and E. A. Russell, general agent of Employers Liability, Cincinnati.

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Sampson Dodge Co. Speaker

Dodge County Assn. of Insurance Agents held a dinner meeting at Theresa, Wis. Willis Sampson, special agent of Fireman's Fund, discussed public relations and explained the scholarship

program sponsored by capital stock insurance at Illinois Institute of Technology, Chicago.

James C. Brown, manager at St. Louis for the Employers Mutuals of Wisconsin, spoke on "Your Casualty Insurance Problems" before the insured members conference there.

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F. & C. of Conn. and Louisville F. & M. Now Running Mates

Fire & Casualty Ins. Co. of Connecticut is expanding its operations into the fire and allied lines and inland marine fields, and has appointed Mississippi Valley Underwriters of Louisville as U. S. managers for these classes in all states except New England. Fire & Casualty Ins. Co. has heretofore engaged almost exclusively in the automobile field.

The president of Mississippi Valley Underwriters is Leslie Miller, who is also president of Louisville F. & M., and the companies now take on a running-mate identification. Louisville F. & M. is entered in 32 states and Fire & Casualty in 21. As of April 30, Fire & Casualty had assets of \$2,743,673 and gross surplus of \$1,157,171.

Fellowship Assignments for Insurance Teachers Listed

Thirty-two insurance teachers will spend four to six weeks this summer studying home office procedures and practices of leading insurers of all classes. Sponsored by insurance trade associations, the summer fellowship program is now in its third year. Administrative committee work in placing the fellows was handled by Harold K. Philips, Assn. of Casualty & Surety Companies; George G. Traver, National Board; John S. Hamilton, Jr., American Mutual Alliance, and Donald E. Lynch, Life Insurance Agency Management Assn.

L. J. Ackerman, dean of the school of business administration of University of Connecticut, is chairman of the coordinating committee, assisted by Dr. Harry J. Loman, dean of American Institute for Property & Liability Underwriters; H. P. Jackson, American; H. G. Kenagy, Mutual Benefit Life, and Roger Crafts, American Mutual Liability.

Fire and casualty companies and the teachers studying with them this summer include: America Fore, Clarence R. Roberts, Oklahoma City University, and J. Donald Watson, University of Maryland; Employers Liability, Howard Clark, Northwestern University; Fireman's Fund, Stanford L. Johnson, Utah State Agricultural College; Firemen's of Newark, Clarence S. Boyle, Brigham Young University; Hartford Fire, Maynard Z. Loux, Rensselaer Polytechnic Institute; Home, William G. Mundy, University of Rhode Island; Mutual Implement & Hardware, Jesse B. Johnson, Louisiana State University; National Surety, John M. Briggs, University of Wisconsin.

Also, North America, Fred A. Henningsen, Montana State University, and Donald Scoles, University of Southern California; Phoenix, Walter B. McGuffee, Mississippi College; Provident L. & A., James Holladay, University of Alabama; St. Paul Fire & Marine, James J. Chastain, University of Wyoming; Standard Accident, Emerson Cammack, University of Illinois; Royal-Liverpool, Edgar N. Jaynes, Fairmont State College; Zurich, Frank Watson, Mississippi State College.

Long Service Celebrated

George F. Houghton, assistant manager of the Pacific department of Hartford Accident and resident manager for southern California at Los Angeles, has just celebrated his 35th anniversary.

Olin E. Hopkins, associate resident manager at Los Angeles, recently celebrated his 30th anniversary with the company.



**It's a
GOOD POLICY**

...to continue "going to school" all your life—through reading, attending association meetings, exchanging information. Nobody ever lived long enough to learn *all* there is to know about the complex, ever-changing insurance business!

One of a series of Helpful Hints from Successful Agents. Watch this column for more.

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France Has Government Fund for Victims of Motor Vehicle Accidents

By PROF. MAURICE PICARD
of the Faculty of Law of Paris

(Translated by Ralph H. Blanchard,
graduate school of business, Columbia
University.)

A bill filed by the government for creation of a guaranty fund for the benefit of victims of motor-vehicle accidents was enacted into law by the national legislature on Dec. 31, 1951, without much discussion, except in the Council of the Republic, but not without some regret, emphasized by the curious declaration inscribed in the heading of the law, "without prejudice as to action which might later be taken within the framework of a system of compulsory insurance."

The text of the original bill has been somewhat revised and curtailed, since the 13 articles that it included have been embodied in a single one—which has been incorporated in the law of Dec. 31, 1951, dealing with special treasury accounts—but its essential provisions have been preserved.

The taking effect of the law was made subject to the publication of an administrative regulation the particular purpose of which was to establish "the legal bases and methods of determining the indemnity that might be chargeable to the guaranty fund, the persons denied benefits from the fund, the respective and reciprocal obligations and rights of the guaranty fund, of the insurer, of the person liable for the accident, and of the victim or his successors in interest, the length of time permitted for the exercise of these rights or the putting into effect of these obligations, the conditions under which the fund would operate and would intervene in legal proceedings, the conditions under which it could be exceptionally made party to a suit, the means of control over the management of the fund by the finance minister."

This regulation has just been published. The following pages are devoted to commentary on it.

Here will be considered principally: Cases in which it is the duty of the fund to intervene; conditions governing an action of the victim against the fund; provisions favoring the fund; financing of the fund.

The fund does not necessarily intervene in every case in which the victim does not find, to indemnify him, the person causing the accident who is liable or solvent. The decree defines certain fundamental conditions that must be fulfilled.

1. First, the accident must give rise to a right to damages for the benefit of the victim in accordance with the terms of French legislation on civil liability (Art. 8). The role of the fund is quite different from that of the social-security system. Although the latter is to intervene solely because the victim has been injured, for it covers a risk—the risk of accident—for which it has received a contribution, the fund comes to the relief of the victims who have not been able to collect the indemnity to which they are entitled, which presupposes a person who is liable. But as a result of the application of article 1384, al. 1, code civil, the cases in which this right to damages will not exist will be very rare.

2. In the second place, the victim or his successors in interest must be

French citizens or be domiciled in France or in a country of the French Union, or be nationals of a country in whose territory French nationals have privileges equivalent to those guaranteed by article 15 of the law of Dec. 31, 1951 (Art. 8). It might be said that foreigners, excluded as a rule from the protection of the law, may have contributed to financing the fund, either because they have paid, on their entry into France, the impost levied on foreign motorists, or because they have bought insurance in France, and that their exclusion is unjustified. But a foreigner might be the victim of an accident in France even though he did not own a car; besides, the impost that he is required to pay if he has one is explained by the fact that he drives on French territory and can cause accidents bringing into action the guaranty of the fund. In order that he himself may benefit by the fund, it is just to require reciprocity, and the decree is liberal in assimilating him to a Frenchman if he has his domicile in France.

Of course, the accident must occur in French territory (Art. 1).

3. The accident must not give rise to a right to either complete or partial indemnity under any other provision of law (Art. 8).

It is difficult to conceive of cases in which the victim might be entitled to complete indemnity under another provision of law. One may, however, cite the case in which the state would be obliged to indemnify him either as a civilian victim of war, or because the accident took place during a riot or insurrection.

On the other hand, the cases in which the victim would be entitled to partial indemnification would be frequent. It could be a question, for example, of a victim subject to social security and who, for that reason, is entitled, whether the accident is an industrial accident or one subject to ordinary law, to payments, the total of which is never equivalent, in principle, to the total loss suffered. It might be a governmental employe, a policeman, a soldier who, on the basis of an applicable statute, would be entitled to indemnity as against the state. In all these cases, the fund will be obligated only to the extent of the deficiency. It follows—and this is very important for the fund—that if the accident brings into play the responsibility of a third party and this third party is insolvent, the social-security system or the state will not have recourse against the fund on the ground that, subrogated to the right of action of the victim against the third party, they may demand that the fund take the place of the latter, for then it would be obligated for more than the deficiency for which it is made responsible by the law. The fund is not to intervene except for the benefit of the victim himself and to the extent that he is not indemnified under the social-security system or by the state. However, if the victim has individual insurance against accidents, he will have a right of action against the fund if the person who caused the accident is insolvent, since the amount to which he is entitled under his insurance contract is not in the nature of indemnity.

4. One last condition is more open to discussion. According to the terms of article 3, there are excluded from the protection of the fund, on the one hand,

the owner, the driver, and, in general, anyone who is using the vehicle at the time of the accident; on the other hand, when they are being carried in the vehicle, the spouses, ascendants [parents and grandparents of any degree], descendants, brothers, sisters, brothers-in-law, and sisters-in-law of the owner or driver, as well as the associates of the owner or driver when they are being carried for the purposes of the common activities of their profession, business, or employment.

This exclusion is understandable in respect of the owner, who cannot be responsible to himself and who may take out individual accident insurance. It is also understandable in respect of the driver, who is normally protected by workmen's compensation legislation. Finally, it is understandable in respect of the spouses, ascendants, and descendants, whom considerations of sen-

timent, in fact, prevent from bringing an action against the person causing the accident and who would not be willing to see him exposed to the action that the guaranty fund, if it had to intervene, would, in turn, bring against him.

But it is difficult to understand in respect of the other relatives. In the statutes that make automobile insurance compulsory, it is compulsory to have insurance covering responsibility even to them. For example, the Swiss law of March 15, 1932, does not excuse the person who has possession of a vehicle from insuring himself against the consequences of his civil liability except in respect of his spouse, his ascendants, and his descendants (Art. 48-30). Why has the decree of June 30, 1952, gone beyond this?

The reason is not one of principle, but of fact. At present, most policies of insurance against automobile accidents do not cover insured for accidents on account of which he may be liable to his brothers, sisters, brothers-in-law, or sisters-in-law. But if these latter brought an action against the fund, the

(CONTINUED ON PAGE 26)

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1752 — 1953

Massachusetts Tornado Loss May Run to \$25 Million

(CONTINUED FROM PAGE 1)

attention. Home Builders Assn. has been very cooperative and it and National Board representatives worked out a price list.

The state insurance department has issued a directive requesting adjusters to report as of June 15 and each week thereafter the names of individuals with whom such adjusters have binding contracts to adjust losses. The adjusters are to keep a record of adjustments and other details. This apparently is aimed at public adjusters.

In the wake of the tornados Better Business Bureaus are cautioning owners of damaged property not to be hasty in contracting for repairs. The bureaus are using newspapers, radio and television and special warning notices. "Be sure you are dealing with a reliable contractor. Know what you are signing before you commit yourself. If insurance is involved, contact your own agent or company first."

Michigan-Ohio Tornado Loss Figures Not to Exceed \$10 Million

A more accurate picture of the property damage in the Ohio Michigan area hit June 8 by a series of tornadic winds (Catastrophe No. 41) is now shaping up. According to Western Adjustment, the total insurance loss probably will not exceed \$10 million.

Losses reported in last week's issue for the Flint, Mich., area remain substantially the same, with the exception of a revision downward on the number of homes partially destroyed from 750 to about 250. Losses in the Flint area are not expected to top \$3½ million. As for the Cleveland area, an original estimate of 12,000 losses was somewhat high; they are not expected to run more than 8,000 to 10,000, amounting to about \$6½ million.

Adjusters are encountering considerable difficulty in certain Flint areas in that in the search for dead and injured, bulldozers were used to push aside the debris, and since homes in these areas had no basements but were set on posts, there is nothing to in-

dicate where or what kind of house formerly existed.

Automobile losses were especially heavy in the Flint region, few cars escaping damage in the Coldwater road devastated area while most were completely demolished. Wolverine of Battle Creek, the bulk of whose business is automobile, placed a tentative estimate of its loss at considerably in excess of \$100,000.

While the loss picture was dark, there were indications that the tornado visitation would result in a huge increase in extended coverage business throughout Michigan. Indicative of that trend was action at Jackson where the county board of supervisors authorized an immediate survey of county insurance. Supervisor Howard Artz, the board's insurance committee chairman, noted that the county has only a self-insurance fund of some \$71,000 covering all classes of losses on county buildings and equipment worth up to \$10 million. Some supervisors advocated purchasing adequate coverage immediately while some thought larger contributions to the self-insurance fund would be the proper move.

The U. S. Weather Bureau reports that there have been 249 tornados in the United States this year and that this is probably a record for the 35 years in which tornado counts have been kept. During this period, there has been an average of 109 tornados in the first six months of the year, averaging 202 deaths, according to the bureau. So far this year there have been 352 deaths officially reported and another 75 or more unofficially.

Hear Wayne at Los Angeles

LOS ANGELES—Marine Underwriters of Southern California at a special meeting heard General Manager Harold L. Wayne of Inland Marine Insurance Bureau and Inland Marine Underwriters Assn., answer questions on the points that came up at the meeting of N.A.I.C. at San Francisco, and review problems in the inland marine field.

Lafayette (Ind.) Assn. of Insurance Women has elected Miss Mae Riley, president; Miss Betty Billingsley, vice-president, Miss Barbara Cors and Miss Freda Allen, secretaries, and Miss Pat Smith, treasurer. Mrs. Harold L. Bone is the retiring president.

\$1 Million Uninsured Wind Loss at Worcester



This is a view of one of the savagely damaged buildings of Assumption College at Worcester, Mass., in the June tornado that was right in the 1953 tradition of striking in areas that had heretofore been regarded as immune. Other prominent victims of this tragic loss of immunity were Waco, Tex., and Port Huron-Sarnia, not to mention the other tornadic catastrophes in areas that were not what might be called out of bounds, such as Co-

lumbus and Phenix City, Ga., and Flint-Cleveland.

These tragedies have exposed some costly weaknesses in windstorm insurance protection, due to property owners relying on erroneous estimates of where wind might strike and the probabilities as to damageability of building and contents by wind.

The loss to Assumption College is estimated at \$1 million and they were lacking windstorm insurance.

NEW TORNADO REPRINTS

In the May 21 edition of THE NATIONAL UNDERWRITER appeared before and after pictures of the five-story R.T. Dennis department store building at Waco, Tex., that was completely destroyed in the tornado. This picture and the text was made available in the form of reprints and there has been a heavy demand for this.

Now THE NATIONAL UNDERWRITER is getting out a new edition of this reprint and on the opposite side of the Waco exhibit will appear the picture, caption and text on the damage to Assumption College at Worcester, Mass., in the tornado there, that appears in this edition. This college, it is estimated, suffered a \$1 million windstorm loss and it carried no wind or extended coverage insurance. The Dennis department store had windstorm insurance, but although it did have fire U. & O., it did not have wind U. & O.

This is on a sheet 8½ x 11 and the price is: 10 cents a copy for orders up to 10; 8 cents from 10 to 50; 6 cents from 50 to 100; 4 cents from 100 to 250; 3½ cents from 250 to 1,000; 3 cents from 1,000 to 2,000 and 2 cents for orders of more than that.

L. A. Casualty Assn. Elects

Casualty & Surety Fieldmen's Assn. of Los Angeles has elected these officers: President, Earl Segars, Travelers Indemnity; vice-president, E. J. Gridley, Hartford Accident; secretary, Charles A. Leavey, National Surety. L. L. Brown, National Automobile Club, discussed the competition of direct writing companies on automobile insurance.

Raise Rates at Lynchburg

Virginia Corporation Commission has approved changes and rate increases for Piedmont Hospital Service, the Blue Cross for Lynchburg. The increases will average 43%, going as high as 91% on some classes, and as low as about 25% on others. The new benefits include an additional allowance of \$2 a day for hospital rooms.

The Lynchburg Blue Cross had not raised rates since 1949.

Lloyds Wins Subrogation Action Against K. C. Agent

London Lloyds, by way of subrogation, has won a verdict against Insurance Research Service, Inc., of Kansas City, the president of which is Robert E. Lawrie, the case being Mason vs. Insurance Research Service, Inc. 1 CCH (Automobile) 1152. Insurance Research Service placed a Lloyds policy in 1948 with W. H. Mason d/b/a Yellow Cab Co. at Okmulgee, Okla., with \$5/10 auto BI limits. There was a sticker on the policy reading, "Address all matters regarding this policy to Insurance Research Service, Inc.", and giving the address. This was done notwithstanding an express policy provision that the insured shall give to Winning & Levey or Toplis & Harding, immediate written notice of any accident, etc.


There was an accident in which two Indian women were injured and the testimony was that Mason notified Insurance Research Service and that I.R.S. failed to obey its instructions to place the papers in the proper hands, and the court held that Mason was lulled into a position of false security until a default judgment had been rendered against him. This was settled for about \$4,500 by Lloyds under a loan agreement and Lloyds became subrogated to the rights of Mason.

Conger Shifts to Colo.

Appleton & Cox has transferred Al- den D. Conger, Jr. from Chicago to Denver, where he becomes special agent for Colorado, New Mexico and Wyoming, assisting Charles J. Hooker, state agent in that territory.

Colorado Blue Goose Elects

Colorado Blue Goose has elected E. L. Curran, M. L. G.; Edward B. Perry, supervisor; Chandler H. Cotton, Braerton, Brown, custodian; W. T. Ferry, Pennsylvania Fire, guardian; Ralph Timmermans, Wilcox general agency, keeper; Edwin F. Bridgford, North America, welder. Mr. Curran is with Mountain States Inspection Bureau.




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Consequential Cover Arguments Follow Nashville Storm

Some close questions on the interpretation of the consequential loss clause used in the Middle West may come out of the wind and electrical storm which did heavy damage in Nashville early this week. There were a number of losses involving spoilage of perishable commodities due to power being cut off by lines being blown down or disabled by lightning and claims are being made under consequential damage clauses where EC was in force. It is understood that one large grocery chain suffered substantial aggregate loss from this happening at a number of locations.

The middle western clause is not clear on this point, although many executives and adjusters insist it was never intended to provide coverage against loss from deprival of off-premises power, where no direct damage was done to apparatus at the insured's premises. The clause states that it covers damage to "stock of merchandise insured hereunder, caused by change of temperature resulting from total or partial destruction of refrigerating or cooling apparatus, connections or supply pipes, by the perils insured against under this policy."

The clause does not refer specifically to wires or power lines, which is the basis of the argument that no coverage is intended in cases such as happened at Nashville. The other side of the argument is that this form does not say that it applies only to loss caused by damage to apparatus on the premises—as the forms in some other territories do—and power lines could be considered "connections." The outcome of these losses will be watched with interest.

Kentucky Field Men Elect Lawrence, Moher, Thompson

At the annual meeting held at Kentucky Dam Village, Gilbertsville, Ky., Kentucky Fire Underwriters Assn. elected Shirley B. Lawrence, Camden, president, succeeding Curtis B. Tarter, Home. Homer Trimble, Bradshaw & Weil general agency, Paducah, was elected vice-president and R. K. Moher, New Hampshire, secretary. The new executive committee is composed of Mr. Tarter, George B. Akin, Loyalty group; E. S. Jackson, Yorkshire; Paul Peattie, New York Underwriters, and George B. Olmstead, Fireman's Fund. Kentucky Fire Prevention Assn. named R. K. Moher as president; Jack E. Redmon, Camden, vice-president, and John R. Blackmarr, Scottish Union, secretary.

The Blue Goose elected John Thompson, Kentucky Inspection Bureau, most loyal gander, succeeding George Stetner, recently transferred from Kentucky to Wisconsin; Martin W. Boedeker, Royal Exchange, supervisor; C. B. Gill, Western Adjustment, custodian; R. A. Copes, Home, guardian; George B. Olmstead, Fireman's Fund, keeper, and Homer L. Trimble, welder.

Signs Mich. Cancellation Bill

Gov. Williams of Michigan has signed the bill which restores ordinary mail cancellations of casualty and A. & H. policies. For some years, the insurers had been plagued by an act requiring cancellation by registered mail, a costly and provably inefficient method.

Some pressure had been put on the governor to persuade him to veto the act, and he heard both sides of the issue before acting, including explana-

tions by department representatives of the proposed law's effect. He noted in his approval message that the law embodies two amendments, one permitting cancellation of casualty policies by regular mail with 10 days' written notice as compared with five days' notice under the existing statute, and the other permitting cancellation of A. & H. policies by delivery to insured or by regular mail, with cancellation effective in five days.

Neumann Scans Auto Issue in Address at Cleveland

Joseph A. Neumann of Jamaica, L. I., member of executive committee of N.A.I.A., gave a talk at a meeting of Insurance Board of Cleveland on "Automobile Insurance—Boom or Doom?" He told of the successful struggle in New York to defeat compulsory insurance without making clear that it was he, more than any other single individual, that was responsible for this result. He noted that Ohio is now embarking on the application of a security type financial responsibility law and he said that in New York in 11 years under this type of law, the percentage of insured motorists has gone up from 30% to 96.09%.

This increase in insured cars will be accompanied by worries and problems. He recommended that the agents promptly "recognize the symptoms that spell trouble and take the needed action to promote the public welfare."

Mr. Neumann spoke of the market situation. He said that failure to supply the market invites extinction. Specialty companies, he charged, skim the cream "in defiance of the public welfare as respects the very basic concepts of insurance. Myriad classification and merit rating plans, usually politically sponsored, arise to plague us, blithely ignoring the fact that a lifetime of premium payment falls far short of even the basic policy limits."

He said the public would benefit by glancing "at the security behind some of the fancy paper they buy." He said the 10 leading stock casualty companies in 1952 had an incurred loss ratio of 65.6 and had a case reserve ratio of 73.8%.

A leading specialty writer had incurred loss ratio of 59% and case reserve ratio of 30%.

"Shades of Ponzi," he said. "How does one pay a 59 cent obligation with a 30 cent bank balance? I certainly would like to know the secret of that machination. Could use it to great advantage in paying my company balances."

N. Y. Cooperatives Merge

Two member companies of Cooperative Fire Underwriters Assn. of New York have now been merged. Wyoming Valley Fire of Warsaw has been taken over by Sterling Fire of Cobleskill, and this gives Sterling assets of about \$1,385,000 and surplus of \$495,000.

Wyoming Valley Fire had gotten heavily into the auto physical damage business and there were several years of adverse experience that taxed surplus. At Dec. 31, 1952, surplus had dropped to \$111,209 from \$174,975 the previous year. Assets were \$440,766, premiums earned \$375,764, loss ratio 62 and combined loss and expense 107.1.

Sterling Fire which had a 15% underwriting loss in 1951 came out with a combined loss and expense ratio of 94 last year and improved its surplus by about \$50,000 to a total of \$384,058.

Public Adjusters' Conclave

Warren Jefferson Davis, the Los Angeles lawyer whose article blasting insurance company adjusting practices that appeared some two years ago in the American Bar Assn. Journal caused

Harold V. Smith, president of Home, was awarded an honorary degree of doctor of laws by the University of Pennsylvania at its commencement last week at Philadelphia. The citation noted that Mr. Smith, a Philadelphian, commenced his business career with Franklin Fire of that city.

Shown at the commencement exercises presenting the honorary degree to Mr. Smith are, from the left: Dr. Edwin B. Williams, provost of the University; Milton S. Eisenhower, president of Pennsylvania State College, who delivered the commencement address; Dr. Edith Hamilton, classical scholar and author who was awarded an honorary degree of doctor of letters, and Mr. Smith.



a furor, is the speaker at the banquet Thursday at Chicago during the convention of National Assn. of Public Insurance Adjusters. About 75 are expected to attend. William Goodman of Baltimore is president.

Curley Promotes E. J. Shields

Edward J. Shields has been promoted to manager of Curley Adjustment Bureau at Atlantic City. He has been assistant manager and has 26 years of adjusting experience.



National
Notes for
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How to Write Sales Letters

Every letter you write is a sales letter; and the essential ingredient of every good sales letter is that it be just as human as the writer.

Sales letters are surprisingly easy to write—if you apply a few simple rules:

- (1) Capture the reader's attention immediately with an interesting opening sentence. (2) Make sure the letter interests him. Use the word "you" frequently—use "me" and "I" infrequently.
- (3) Make a specific proposal—one he'll understand.
- (4) Close with a call to action.

Special material on "Hitting the Mark" with sales letters, including two simple rules for writing human letters and nine commandments which will enable you to do it, are yours for the asking.

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Western Department, Chicago
Pacific Department, San Francisco
Canadian Department, Toronto
Metropolitan Department, New York

Schinnerer Local Chairman for N.A.I.A. Annual Meeting

WASHINGTON—Victor O. Schinnerer has been named general chairman of the committee on arrangements for the annual meeting of National Assn. of Insurance Agents here Sept. 28-Oct. 2. A. L. Jagoe, Jr., president of District of Columbia Assn. of Insurance Agents, also named V. Manning Hoffman and William A. d'Espard, past presidents, committee vice-chairmen. From 2,500 to 3,000 are expected to attend the convention.

At the District association's annual outing at Prince Georges Country Club, Superintendent Jordan estimated

1953 fiscal year premium volume written here will exceed \$100 millions, all-time high, based on 2% premium tax receipts.

Manager Harry Hazlehurst of D. C. Rating Bureau has named a subcommittee of its executive committee to cooperate with a similar committee of the agents' association regarding problems of rating, rates, forms and related matters.

Hartung Advanced to V. P.

W. L. Hartung, who has been secretary of American Indemnity, has been elected vice-president. He has been with the company for many years in charge of the claim department.

North America Reports on Reinsurance Progress

North America companies have published a progress report, detailing the remarkable growth of the reinsurance department since its inception.

The report is in the form of an illustrated 16-page booklet. The Chicago fire, San Francisco earthquake and fire, Texas City explosion and others are pictured, to illustrate the part played by reinsurance in catastrophic losses.

The North America companies formally entered the reinsurance field in 1946. That year they wrote \$3,126,862 in reinsurance premiums. At the end of 1952, premiums written amounted

to \$28,461,777. The companies now have in force about 400 contracts with more than 100 companies in 35 countries.

Behnke Takes New Post

George Behnke, formerly manager of the home office fire department of Harbor of San Diego, has joined Olympic and Marathon of Los Angeles, subsidiaries of Pacific Finance Corp., in charge of developing a new insurance program for the companies and coordinating their expansion program with present underwriting and production operations. He has been in insurance for more than 20 years and was with Liberty Mutual for 13 years at Boston and New York.

DIRECTORY OF RESPONSIBLE

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Agents, Insurers Together Will Solve Auto Competitive Problem

GROTON, CONN.—Plain talk about commissions, expenses and other factors entering into the cost of automobile liability insurance, in these days of tough competition, featured the panel on automobile at the midyear meeting of Connecticut Assn. of Insurance Agents here. Commissions on this line may come down to 15% with the companies contributing a like amount, Vincent F. Wilcox of the R. C. Knox & Co. agency of Hartford stated.

Mr. Wilcox, representing the agency point of view; Roy L. Fosbrink, manager Hartford branch of Aetna Casualty, representing branch managers, and Lester F. Crossley, manager of the Travelers Hartford branch, representing the company viewpoint, all spoke as individuals.

Agents can do much to meet competition, he said. It is too easy to mail out renewals. In his agency it is a must to talk with insured before renewal.

Too many agents do not render any service. Eventually, insured catches on to this. The time insured needs service is when there is trouble, yet many agents run away from trouble.

Agents are today in about the same position the independent merchant was 35 to 40 years ago, Mr. Wilcox added. They are up against chain store methods of merchandising their product. Local merchants met the problem by

adjusting prices to a limited extent and by continuing to render real service.

There are two elements in the fixed cost of any insurance, the commission and the company expense. Both have to be shaved to put bureau agents in a competitive position, he said. Company expense is not down to the bone and commissions will come down. This will not cost agencies any dollars. Agencies and companies all have some waste. There is too much paper work. For example, in the agency field, how many agents still file policies by number and have to make another file of insured by name?

Agents need to spend more time on selling, he declared. If they spent only additionally the time they now waste, he indicated they could meet today's competition. Shrinkage in commission rate will have no effect at all. With improved methods, financial responsibility laws, and the increased demands generally for insurance, the agent's net will be better at year end and the competition of chain store insurers will have been met.

Mr. Fosbrink suggested that a little rugged individualism and self-reliance by agents will go a long way to meeting competition.

There are three kinds of faith needed by agents—in the value of the product, in their ability to present what they are selling, and in the value of their own services. If they are not sold on the business, when they ask for business they are asking for a favor.

He suggested that agents tell insured that the cut raters are the best judge of the value of their product. Do their representatives belong to associations, have office locally (and what kind is it?), what training have they had to place insurance properly, where is the cut rate company's claim office, how many adjusters does it have on salary, or do its adjusters operate on a fee basis—which makes plenty of difference when insured has a loss? Cut raters use renewal certificates every six months. If they cancel, the membership fee is not returnable. He cited a recent case in which a man purchased insurance in a cut rater but when the company found he took some neighbor children to dancing school along with his own, they cancelled. Insured must pay cash for insurance with these companies—how many local agents get cash with the delivery of their policies?

Most automobile buyers want a heater, a windshield wiper, etc. on their cars. The cars are cheaper without these things, but they make the automobile more comfortable and serviceable. The same thing is true with insurance. The agent should ask himself what he does for insured, has he surveyed the hazards of insured, has he sold his product—if so, he has taken aggressive action and is not just an order taker. The agent makes the difference for what he is paid as against the price of the cut rater.

When the new safety responsibility law went into effect in Connecticut, all insurance segments represented in the public education program were asked two questions by state authorities, according to Mr. Crossley. One was, will each company individually accept its share of the new business

(CONTINUED ON PAGE 30)



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General Agents Elect

J. E. Simoneaux President

(CONTINUED FROM PAGE 1)

eral agency and direct systems carefully and its conclusions have been borne out by experience. Starting in 1938, the company now operates through general agencies in 30 states and hopes to enter six more through these channels. Mr. Calvin said that some people think an insurance company gets only a field force by using general agencies, but his company feels it gets complete underwriting and production service from qualified general agencies. He urged the adoption of uniform reports from general agencies and suggested that the general agents take this matter up with company organizations.

J. C. O'Connor, Cincinnati, executive editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, reviewed changes in fire and inland marine forms, particularly impending business interruption changes and the improvements and betterments situation. He also commented on the Texas City explosion case, on which the decision by the U.S. Supreme Court occurred during the meeting.

In accepting the presidency, Mr. Simoneaux suggested that, if feasible, one session of next year's meeting be devoted to a forum on general agency problems, with no outside speakers. The members liked his suggestion.

There were three morning business sessions, with afternoons devoted to recreation, and each session drew a full house. The program was of high caliber and the members paid serious attention to the major problems of the business and the place of the general

agent. Acquisition cost was naturally a major subject and there was much praise for the masterly discussion of expenses by Robert Maxwell, Texarkana, executive committee member of National Assn. of Insurance Agents, whose talk was reported last week in the National Underwriter.

These subjects occupied prominent places in the reports of Messrs. Brown and Simoneaux. Mr. Simoneaux devoted considerable time to a discussion of last year's case of Phillips vs. Pennsylvania Threshermen's which went to the U. S. court of appeals on the question of whether an insurance company could accept renewals from former sub-agents of a general agent after the general agency contract had been terminated. The appeals court reversed the lower court and held the company could not and the U. S. Supreme Court refused to hear an appeal. The case was sent back to the lower court to determine damages.

Mr. Simoneaux said that the appellate court language, by confusing an agent's ownership of expirations and a general agent's ownership of an agency plant, has caused confusion and misinterpretation. Hence the general agents group sent a letter to N.A.I.A., affirming its recognition of agency ownership of expirations. In the lower court rehearing, Mr. Simoneaux said, the insurance company is attempting to introduce the argument that ownership of an agency plant amounts to restraint of trade. He said the association is following this carefully and



Mrs. George D. Van Wagenen of Minneapolis, whose husband is one of the new officers of the general agents association, with F. L. Ludington, western manager of Atlas; J. Leonard Brown of Denver, the retiring president of the association, with Mrs. Brown, and J. A. Cassidy, San Francisco, and Langdon C. Quin of Atlanta.

will report developments promptly.

Mr. Simoneaux also reported on the negotiations with National Assn. of Insurance Commissioners on acquisition cost and uniform reports. He said that the general agents have participated in conferences on this matter and that the commissioners' subcommittee will recommend that expenses of premium collection not be included as part of the acquisition cost. The general agents, he said, have worked closely with National Assn. of Casualty & Surety Agents and most of its members who do a casualty business are also members of the latter association, although the general agents felt that, as a matter of policy, they could not officially recommend membership in another organization.

Arizona, Central States and Upper Midwest.

Rev. W. E. Nye of Loras College, Dubuque, opened the first session with the invocation and a number of reports were given. George Malcolm-Smith, Hartford, assistant advertising manager of Travelers, gave a humorous talk on "The Spites of Life".

The philosophy of packaging and rating the packages of Multiple Peril Insurance Rating Org. were discussed by Jack E. Larson, secretary of Empiro. He noted that the manufacturers output policy, if rated by traditional rating organizations, would involve not less than 34 fire rating organizations, one casualty, one inland marine and one automobile physical damage, in



W. L. Falk, assistant U. S. manager of Royal-Liverpool, who was host at the cocktail party of American Assn. of Managing General Agents at Genoa City, Wis., with Mrs. Falk, and Mrs. M. L. Slawson and Mr. Slawson, who is agency secretary of Royal-Liverpool. On the left are Mary Jo Van Wagenen, George D. Van Wagenen of Minneapolis and Mrs. Van Wagenen.

Mr. Brown touched on many of these matters in his report. He also reported that three more district groups of general agents have been formed during the past year, bringing the number to 10, with a membership of 112. The regional groups now are Arkansas, California, Georgia, Louisiana, Mississippi, Mountain States, Northwest, Texas,

addition to dealing with insurance commissioners of 51 jurisdictions. In view of the practically insurmountable task of coordinating the efforts of some 88 different groups, Empiro was formed. Its purpose is not to conflict with jurisdictions of other rating groups. By its constitution it can rate only those policies not delegated to other organizations.

W. A. Rattelman, president National Union Fire and chairman of the public relations committee of National Board, spoke on public relations the second day. He reviewed the work of his committee, particularly asking the general agents to support it at the field level.

He said that, while the contribution of field men making talks before public groups has been of inestimable importance, it is even more important that each of their dealings with the public and with agents be of a caliber



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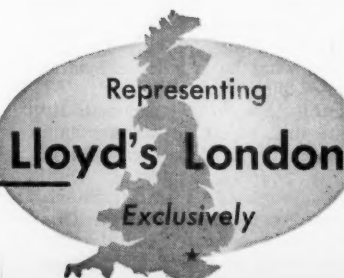
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ing and public information services of National Board and said that a number of films are being made available.

G. T. Brannon, Durham, N. C., national councillor, reported on the recent meeting of U. S. Chamber of Commerce. He said that the Washington atmosphere is now decidedly favorable to business, but that the chamber delegates were warned by Secretaries Weeks, Benson and McKay that business in government is strictly on trial and will be unceremoniously turned out by the voters if it fails to live up to its responsibilities.

D. M. Pruitt, Philadelphia, actuary of General Accident, past president and now board chairman of Insurance Accounting & Statistical Assn., set the heads of most of his audience whirling with his description of electronic business machines and their possible effects on the insurance business. He handled what might have been a poisonous subject with consummate skill and held his audience from start to finish. He distinguished between modern tabulating machines and the new electric "brains" in that the latter operate at fantastic speeds, can be set to "forget" as well as to "remember" data, will obey the most complicated instructions and can be made to switch from one set of instructions to another, depending on what data is fed to them and the outcome of a calculation.

However, he said, they are still machines, without imagination or judgment, and can never replace the human brain. Their value will be as servants, not masters. A major impediment to their use is their staggering cost. Consequently, Mr. Pruitt predicted that their use will result in much greater centralization of statistical work and in their taking over many functions not now thought of as subject to machine calculation, in order to justify their cost.

The general agents were particularly intrigued with Mr. Pruitt's description of a new electric typewriter which, as it types, also punches out data on a tape. This tape can be used to reproduce a policy exactly or to feed statistics to calculating machines, without any coding or other statistical recording. Manual and rate changes can be fed into these records, so the typewriter can automatically turn out a renewal policy, incorporating rate and other changes. He said that some large direct writing companies are taking steps to use equipment of this type.

E. S. Whitcombe, Chicago, assistant western department manager of Hartford Fire, discussing the economic situation, predicted good business conditions for the remainder of 1953 and at least part of 1954, but with a possible recession later in 1954. He pointed out that such factors as employment, national income, industrial production



Leaders of the general agents association at the annual meeting at Nippersink Lodge, Wis., and some of the guests: G. D. Van Wagenen of Minne-

apolis; J. D. Simoneaux, New Orleans, new president; H. C. Stebbins, Denver. Walter Dithmer, assistant manager of Western Underwriters Assn.; G. J.

Leonhard of Madison, Wis., convention chairman; E. H. Born, manager of W.U.A., and W. L. Braerton of Denver, a past president.

and retail trade are all up and mostly at all-time highs. Inventories are high and this could be a danger signal, as it would mean trouble if retail trade should slip.

The recent stock market declines can probably be charged to uneasiness over a Korean truce, but Mr. Whitcombe said that military expenditures probably will not decline below the 1954 budget recommended by President Eisenhower, while personal income tax reductions and death of the

salesmanship of industry to get tangible products into circulation. The only cure, he said, will be real insurance salesmanship. He quoted figures showing how greatly underinsured the public is and the need for insurance

salesmanship, particularly on personal lines.

The annual dinner was preceded by a hospitality hour sponsored by Royal-Liverpool, with W. L. Falk, New York, assistant U.S. manager, as host.



W. A. Rattelman, president of National Union and chairman of the National Board, addressing the general agents at their convention at Nippersink Lodge, Wis.

excess profits tax next year should help materially. Most corporations intend to continue plant expansion, feeling that the predictions of some economists that production capacity is about to outrun consumer demand are offset by our rapidly increasing population.

Mr. Whitcombe said that in any recession insurance may be squeezed between the unwillingness of the public to spend money and the intense

THIEVING is THRIVING

It is a fact that there are more burglaries than fires in the United States and it is estimated that 47 burglaries occur every hour, yet the public has not been made sufficiently aware of the need for burglary insurance. Here is protection everyone needs. Stealing cannot be stamped out, but the resultant loss can! Friendly, aggressive understanding of burglary problems, combined with the means to solve them, are valuable tools in any agent's kit, and an excellent reason to sell a burglary policy today and every day.



On hand at the meeting at Genoa City, Wis., of American Assn. of Managing General Agents, from the left: Fred Lanagan and H. C. Stebbins of Denver; Robert Maxwell, Texarkana local agent, who was one of the principal speakers; F. H. Duff, Dallas, W. E. Kingsley of Lexington, Ky., and S. P. Raines of Little Rock.



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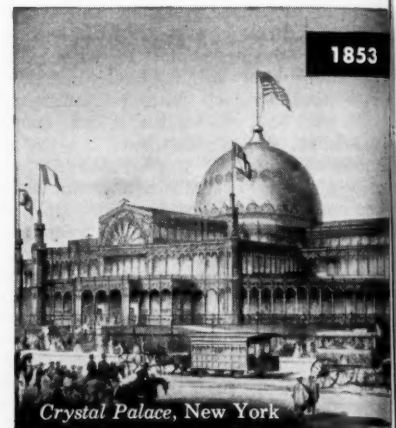
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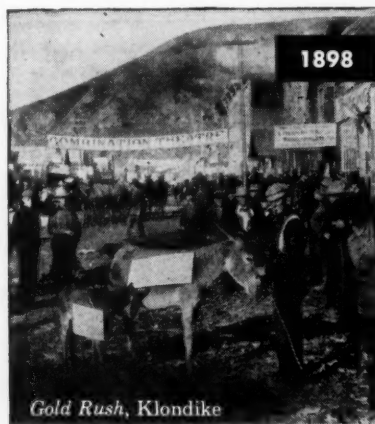
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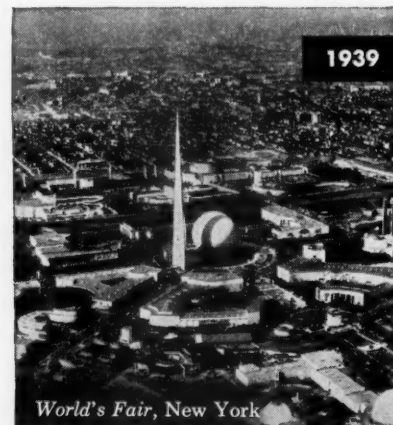
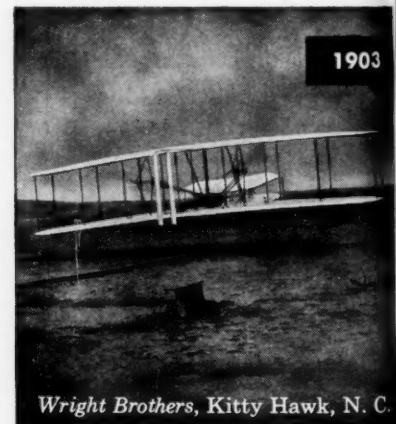
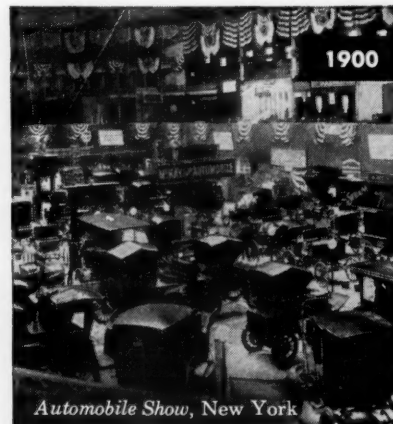
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On April 13, 1853, The Home was founded



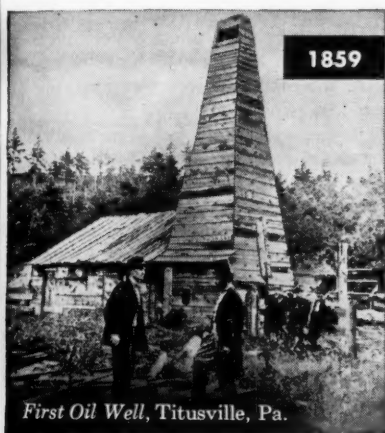
adventure and progress of the nation... has paid out more than a billion and a half dollars in claims



to provide better insurance services to more people through more than 52,000 outstanding Home representatives

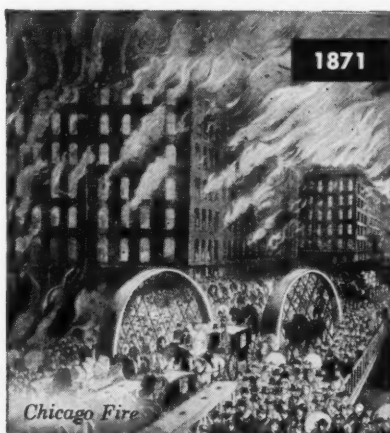
...and into the Future

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1871

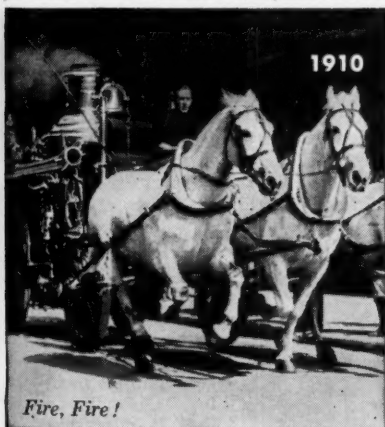
Chicago Fire



1836

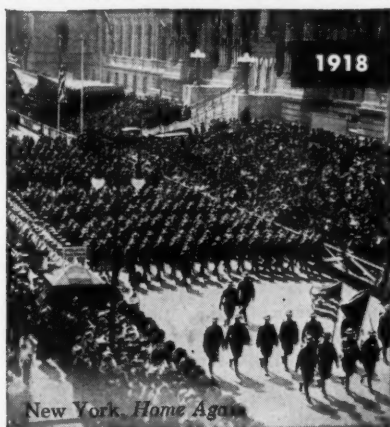
Statue of Liberty

...founded...in the century since, has looked upon the trials and triumphs, joys and tragedies, excitement,



1910

Fire, Fire!

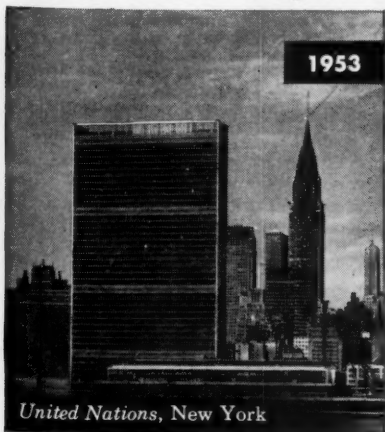


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EDITORIAL COMMENT

Agent Looks at Fire Underwriter—No. 13

Here are some observations of a prominent and articulate agent in *THE NATIONAL UNDERWRITER* series on the place of the fire underwriter in the business today:

The examiner is an anonymous sort of a guy, shielded pretty much from contact with the facts of life by various audit and stamping bureaus. He is shielded also by the ever present field man to whom most questions of great moment are referred. Accordingly, the incidence of direct correspondence between an agent and an examiner is infrequent and deals very largely in matters of commissions, proper descriptions (commission wise) and the like.

I have found that examiners too often seem to glory in their impersonality. They seem to go about as far as the book tells them, and no farther. They are rarely permitted to break through to the agent, and for an examiner to write us a letter of advice with suggestions as to how an account should be handled would be almost a revolutionary occurrence.

Unfortunately, a great deal of our correspondence with examiners has to do with the cancellation or the reduction of risks. We find that certain examiners have certain phobias, either resulting from a severe loss, suffered some time in the past, or perhaps from a good bawling out on a particular type of risk. We have found, too, that many examiners refuse to accept responsibility and strangely enough, or perhaps it is not so strange, those who have in the past accepted the proper burden of their office, rise to supervisory positions in their organizations.

One of the biggest handicaps under which an examiner works is his almost complete unfamiliarity with his subject. I suppose the majority of examiners have rarely, if ever, visited the

territory they supervise. Many of them have never seen the type of structure they are called upon to underwrite. They are expected to be scientists, metallurgists, engineers, chemists and almost everything else, without having any guide excepting the grubby looking daily reports that pass over their desk, plus an advisory sheet issued by the National Board. They are obliged by tradition to group too many things and in so doing they stifle their own ingenuity and at the same time work a terrific hardship on the agent who has no way of knowing whether or not his examiner is really familiar with the subject at hand.

Every once in a while, some brilliant home office examiner picks up one of our daily reports and then sends us a nice long letter, suggesting how the deal could have been handled with perhaps less wear and tear on all of us and making suggestions for the future. This genius also suggests different types of coverage he is in a position to underwrite, and he tells us that in recent months he has noticed that we are not writing as much vandalism and malicious mischief, or rent or rental value as we should. We treat his opinion with the greatest respect, much more so than we do the field man who usually is not in the position to know these things until it is too late for them to be interesting. Once in a very great while, the examiner crawls out of his shell and drops us a congratulatory note on a particularly nice piece of business. Once in a very great while, he gets on our side of the fence if we are in any sort of a disagreement with the bureau. Once in a while, he tells us about some good gimmick some other agent pulled, for the benefit of his clients. These men are worth a lot to the agent.

Among the Things to Come

The gradual evolution of several important changes in the fire and casualty business was predicted by H. C. Conick, general attorney of Royal-Liverpool, in a thoughtful talk before Boston Board. His forecast included national rate making, a national forum for the fire, casualty and inland marine interests, merger of National Bureau of Casualty Underwriters and National Automobile Underwriters Assn., changes in merchandising methods in the automobile insurance field, and more efficient and less expensive processing of business.

These things are going to come about

gradually, and perhaps almost imperceptibly, because that is the nature of this business. It is not given to sudden and impulsive change. If it had been, it would not have won widespread public confidence and approval. He thinks public demand for multiple peril package insurance is exaggerated and that such coverages will not be in general use for many years. He also believes that the installment idea is here to stay.

The national pattern of rate making for fire and allied lines that he sees ahead would take the form of a regional rating organization embracing

the 18 midwest rating bureaus and a similar merger of separate rating bureaus in the east to form a composite whole. Regional rating establishments already exist in the far west and south. Benefits would include elimination of unnecessary duplication of local governing committee meetings, permitting consideration of major rating problems affecting an entire region at one time and place, retention of grass roots control of local rating problems exerted through local committees, etc.

Atop this he visualizes a national fire rating organization for matters national in scope and adoption of a uniform national fire rating schedule which he regards as sorely needed to keep pace with changing times. Then only will the fire business be organized to match casualty and inland marine for nationwide treatment of combination coverages and rates.

He sees ahead also a forum, composed of fire, casualty and I. M. interests to foster good public relations and provide an orderly approach to questions of common interest. Today every major economic, social and political problem seriously affecting one segment directly bears on others as well.

The merger of automobile rating in-

to one organization would be a logical move toward making merchandising methods in automobile insurance more responsive to the competitive demands of the day, he believes. Automobile rating classifications will become much narrower and more competitive. With financial responsibility laws, auto insurance is bought, not sold. Merchandising methods must undergo significant changes to keep pace with the social and political complexion of the automobile business. Its problems are going to be here for a long time to come and will challenge the ingenuity of the business. Insurers must come up with a realistic and concrete proposal to take care of uninsured drivers, or face a running threat of compulsory.

Merchandising of dwelling and other coverages will undergo changes, most of them having the object of reducing the cost of handling and making them less expensive.

The agency system is by no means doomed, nor will it suffer as a result of these changes. That system is so basic to the business that it defies elimination. Intelligent effort will reduce distribution costs greatly in the next few years as a result of concerted effort by companies and agents.

PERSONAL SIDE OF THE BUSINESS

R. E. Barrett, Illinois insurance director, and Mrs. Barrett had to miss the graduation of their son from the Wharton School of University of Pennsylvania to be at San Francisco for the N.A.I.C. convention. The young man, Peter Barrett, majored in insurance. He will now go to Northwestern university law school. The R. E. Barretts were accompanied to the commissioners' convention by George Barrett, prominent Chicago lawyer and former Illinois attorney general, and Mrs. Barrett.

J. Edwin Larson, the Florida commissioner, was prevented from attending the N.A.I.C. convention at San Francisco by the serious illness of his father, John Larson. The latter was on the critical list at Warren General hospital, Warren, Pa., and Ed Larson was standing by at Warren. E. A. Faircloth, chief deputy, looked after Florida interests at San Francisco.

Paul McNamara, president of North American Life of Chicago, and Mrs. McNamara are sailing from New York Saturday for Naples. They will be starting off on a European visit of two months. Mr. McNamara will be in London part of that time on business matters.

William J. (Boo) Farber, secretary of the Louisiana Rating Commission, while at San Francisco entertained Lynn Waldorf, football coach of University of California. Mr. Farber was the freshman coach at Syracuse uni-

versity in 1920 when Waldorf was playing and then was assistant coach in Waldorf's junior and senior year there when Waldorf made All-American.

Martin Lewis, general manager of Surety Assn. of America, and Mrs. Lewis went on from the N.A.I.C. convention to Mexico for a vacation. They had been to Hawaii prior to the N.A.I.C. meeting, and Mr. Lewis attended to surety matters in the Islands.



Orin L. Becker of Lepanto was elected vice-president of Arkansas Assn. of Insurance Agents at the recent annual meeting. This means that if everything goes according to schedule, he will be the head man next year.

Charles E. Stevens, manager of the A. & H. department of Standard Accident, has been elected president of the Detroit Junior Board of Commerce. He had served as a director 3½ years and as vice-president of civic affairs.

Walter H. Vernier, who recently was advanced to executive vice-president of Pacific National Fire and is being transferred to the home office at San Francisco, was honored at a farewell dinner at Chicago given by associates of the western department, of which he has been manager.

The NATIONAL UNDERWRITER

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Irwin M. Orange, president of Temple E.

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dinner at Chicago given by associates of the western department, of which he has been manager.

Irwin M. Flaster, local agent of East Orange, N. J., has been installed as president of the Metropolitan Conference of the National Federation of Temple Brotherhoods.

W. L. Braerton, Denver, past president of American Assn. of Managing General Agents, attended the 50th reunion of his class at the University of Kansas before going to the general agents' convention at Nippersink Manor, Wis. Mrs. Braerton accompanied him.

Claude D. Minor, retired president of Virginia Fire & Marine, has been appointed chairman of the fire safety committee of Virginia state chamber of commerce.

S. Foster Yancey, president of Southwestern Fire & Casualty of Dallas, and senior partner of the insurance management firm of T. A. Manning & Sons, has been elected a director of the alumni fund of Bowdoin college. He graduated there in 1930.

Ralph Alexander, deputy commissioner of Pennsylvania, and Mrs. Alexander made the trip to the commissioners' convention at San Francisco by motor and returning had a visit at Albuquerque with H. Murray Alexander, their son, who is special agent there for Fireman's Fund Indemnity.

E. B. Ferguson, managing director of Phoenix of London, has been knighted by Queen Elizabeth. Sir Edward has held a number of important positions in the British insurance business, and is now chairman of British Insurance Assn. He is a past president of Chartered Insurance Institute of Great Britain. He has made frequent visits to the United States, the latest in May of this year when he was guest speaker at the annual dinner of the National Board.

Willard N. Boyden, vice-president of Continental Assurance and Continental Casualty, has been reelected president of Society of Alumni of Williams College, the oldest such organization in continuous existence in the U. S., being founded in 1821. Mr. Boyden was in the class of 1919.

Woodworth to Agency Ranks

John K. Woodworth has joined the Sloan & Irvine agency of Chattanooga. He has been with American of Newark for three years, most recently as special agent in eastern Tennessee.

Eureka Casualty has moved its Newark office to larger and more modern quarters in the Military Park building.

DEATHS

FRED L. NELSON, SR., 69, local agent at Jackson, Miss., since 1912, died at his home. He had been ill for some time. Mr. Nelson was a past president of both the Jackson and Mississippi Assns. of Insurance Agents.

His son, Fred, Jr., is associated with the Nelson agency, and a brother, Harvey L. Nelson, is with the Withers-Nelson agency of Jackson.

CHARLES SHEEDY, retired North Dakota state agent of Aetna Fire, died of a heart condition at his home at Fargo. He started with Aetna in 1926 in the Illinois and Michigan fields, and in 1928 went to Kansas. He was transferred to North Dakota as state agent in 1944, and he retired Jan. 1 of this year because of ill-health.

LYMAN ROOT, who was with Hartford Fire years ago and was assistant manager of its Canadian office from 1903 until 1913, died at his home at Oakville, Ont., at the age of 48. After leaving Hartford Fire he was with Sun Life of Canada.

A. W. LEWIS, 52, executive vice-president of Detroit Mutual, died of a heart ailment. He began his insurance career with Massachusetts Bonding at Saginaw, then was with Federal Life & Casualty as chief claim examiner for 23 years. He joined Detroit Mutual in 1947 as executive vice-president, specializing in claims.

EDGAR K. LEGG, JR., 69, president of the Legg, Griffin & Co. agency of Washington, D. C., for many years, died of a heart attack at his home at Leesburg, Va.

JOSEPH E. DIXSON, 39, claims adjuster in the Minneapolis office of Ohio Farmers, died suddenly following a heart attack.

WILLIAM J. LAFFOON, JR., 32, an adjuster for the State Farm companies, died in a Richmond hospital. He had suffered a cerebral hemorrhage, falling while in a bathtub.

ALBERT F. HUTCHINSON, 60 supervisor of safety and insurance at the Calco Chemical Division of American Cyanamid Co., died. He lived in Bridgewater township, N. J. In 1921 he joined Factory Mutuals and in 1933 became fire protection engineer of Calco, later becoming safety director and insurance supervisor.

J. H. SCATTERGOOD, 76, one time president of Ins. Co. of State of Pa. and a director, died at Wynnewood, Pa. He

was an industrialist and financier interested in many fields and served as assistant U. S. commissioner of Indian affairs in the administration of Herbert Hoover.

IRA W. HULLETTE, who had been a local agent at Frankfurt, Ky., for 30 years and was a former member of the legislature, died at the age of 76.

MARK H. GABHART, 75, former agent and adjuster in eastern Kentucky, died at Ft. Thomas, Ky.

JOHN J. HILL, adjuster, died at his home at Los Angeles after a heart attack. He has been in the adjusting business there since 1932.

NATHAN HAYWARD, JR., 43, a partner in the Downs & Co. Agency, Wilmington, Del., died there.

WILLIAM H. ROEMER, 79, Toledo, O., head of the William H. Roemer & Sons agency for 25 years, died there.

WALTER A. EKBLAD, 56, St. Paul local agent, is dead.

ARTHUR J. GOETSCH, 57, for 30 years a local agent at Milwaukee, died of a heart ailment in a hospital there. Before forming his local agency, he was Milwaukee manager of Wisconsin National Life.

LEMUEL W. HARRIS, 72, retired local agent at New Albany, Ind., died there.

Tim Cooper's Gavel Giving Turns Out to Be Bemusing

THE NATIONAL UNDERWRITER inadvertently has contributed to the saga of the misunderstood gavel at Charleston, S. C. In a recent edition it was indicated that a gavel was presented to the Charleston Board of Underwriters with the compliments of Phoenix of Hartford. As a matter of fact, the presentation was made by Tim E. Cooper for Phoenix-London group. About a year ago in appreciation of the representation that it has had in Charleston. Phoenix-London presented an engraved gavel to the board with Mr. Cooper doing the honors. He had noted that the presiding officer had to resort to a fork and drinking glass.

From the night that the gavel was presented it disappeared and was never seen again. Mr. Cooper was still determined that the board should have a gavel and with the compliments of his group. He prevailed upon the head office to permit the expenditure for another and this was done. Now the bemused Mr. Cooper finds that credit was given to the company which is sometimes referred to by the London institution in jocular fashion as its Hartford branch.

Jacob Isaac Takes Over

The firm of Jacob Isaac, general agent, has been formed at 1512½ South Congress avenue, Austin, Tex., and is successor to the James H. Aldridge Co. The new firm takes over the general agency representation of American Home Fire, Balise Fire of Miami, Tri-State and Tri-State Fire of Tulsa, all of which were formerly

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 So. LaSalle St., Chicago, June 16, 1953

	Div.	Bid	Asked
Aetna Casualty	3.00*	111	114
Aetna Fire	2.40	52	53½
Aetna Life	2.50*	68½	70
American Alliance	1.60	32	33
American Equitable	1.50	30	31½
American Auto	2.00	42½	44½
American, (N. J.)	1.10	23½	24½
American Motorists .....	.40	12	14
American Surety	3.00	59	61
Boston	1.40	33	34½
Camden Fire	1.10*	21½	22½
Continental Casualty	2.50*	80	82
Crum & Forster Com.	1.60	46	48
Fire Association	3.00	64	65½
Fireman's Fund	1.60	54½	56½
Firemen's (N. J.) .....	.90	25¾	26¾
General Reinsurance	1.80	36½	38
Glens Falls	2.00	56½	58½
Globe & Republic .....	.80	16½	17½
Great American Fire	1.60	36	37½
Hartford Fire	3.00	150	152
Hanover Fire	1.80	38	39½
Home (N. Y.)	2.00	39½	41
Ins. Co. of No. America	2.25*	80	82
Maryland Casualty	1.20	23½	25
Mass. Bonding	—	21½	22½
National Casualty	1.50*	28	Bid
National Fire	2.60	63	65
National Union	2.00	40	42
New Amsterdam Cas.	1.50	40	41½
New Hampshire	2.00	42½	44
North River	1.20	27½	29
Ohio Casualty	1.55*	60	63
Phoenix, Conn.	3.40	91	93
Prev. Wash.	1.50*	27	28½
St. Paul F. & M. ....	.85*	29	31
Security, Conn.	1.70*	33½	35
Springfield F. & M.	2.00	44	45½
Standard Accident	1.80	42	43½
Travelers	14.00*	720	728
U. S. F. & G.	2.00	57	59
U. S. Fire	1.50*	37½	39

*Includes extras.

represented by the Aldridge Co., and it has reinsurance facilities with North Star Reinsurance through Seibels, Bruce & Co. Jacob Isaac was with the Aldridge Co. seven years and prior to the war he was in his father's local agency at Bartlett, Tex. The new general agency has retained the services of Special Agents Tom Dunstan, Tom Froeschel, C. L. Sherrod, Nell Pierson and C. D. Pickens, Jr., the last named being on leave with the army.

Atlantic Life Lines Up

Its A.&H. Portfolio

Atlantic Life has become active in the A. & H. field after more than a year of planning. Training seminars have been conducted throughout the territory by H. Stanley Marmaduke, manager of the new department, and other home office officials, for the purpose of introducing the field organization to the technical aspects of the coverages and sales techniques.

The company is offering four loss of time contracts—two accident only, and two accident and sickness contracts; also two hospitalization policies, family group hospital expense and individual hospital expense.

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C. H. Gardner New Head of Merchants of Denver

Clyde H. Gardner, who has been vice-president of Merchants Fire of Denver, has been elected president of that company to fill the vacancy caused by the recent death of his brother, Guy N. Gardner. Clyde Gardner has been a local agent for most of his business life, operating his own agency at Denver in addition to his company connection.

Herbert Hoogstrate, treasurer, has been advanced to vice-president-treasurer. He has been with the company 26 years and especially active in the accounting and investment phases of the business for many years.

Florida Woos Insurers

Florida has taken on increased attractiveness as a site for regional headquarters offices for insurers. Legislation has passed that provides that out-of-state insurance companies be refunded up to 80% of premium taxes if they locate such offices in Florida serving three or more states.

Prudential already has begun construction of a \$10 million, 22-story regional home office at Jacksonville. Construction also has begun there on a \$2,500,000 headquarters building for State Farm Mutual of Illinois.

Finke, Hamner in Coast Changes

Julius E. Finke, Portland manager of Swett & Crawford for 20 years, has resigned, and V. William Hamner has been appointed to succeed him. Mr. Finke will become a partner in the

brokerage firm of J. H. Burgard & Co. of Portland.

Mr. Hamner started with Swett & Crawford in 1942 at Los Angeles, and six years ago moved to Portland as assistant manager.

Lutich to Company Post, Swett & Crawford Names 2

Irving E. Sullivan has been named inland marine manager for Swett & Crawford at San Francisco. He has been assistant manager there for several years.

At Los Angeles, Robert C. Martin has succeeded John T. Logan, who recently resigned as marine manager there.

Richard J. Lutich, who has been for several years marine manager of Swett & Crawford, and who has been with Standard Marine for 37 years, will shortly leave S. & C. to become Pacific Coast manager of Standard Marine.

Mr. Sullivan joined Swett & Crawford in 1946, and Mr. Martin started with the organization in 1948.

Kill Wrongful Death Bill

The so-called "wrongful death" bill, which would have increased the amount that could be collected in negligence death suits, was defeated 237-47 in the New Hampshire house.

The bill as amended would have raised the present maximum of \$7,500 to \$10,000 for a decedent without dependents, and from \$15,000 to \$20,000 in cases where there are dependents.

Harold Knebel has been named marine manager at St. Louis of Home-

Principals in Ariz. Benefit Investigation Are In the Courts

Repercussions of the bitter fight over adoption of a new insurance code in Arizona are observed in the suit by Robert H. Wallace, president of National Life & Casualty of Phoenix, against Harold W. Tshudy, a former agent of that company, on a charge of embezzlement. Mr. Wallace is majority leader of the Arizona house, and Mr. Tshudy is a member of the house. Mr. Tshudy was one of those who was strongly in favor of an investigation of Arizona benefit insurance companies, and the question of whether this should be conducted or not clouded up the issue over the adoption of the code so badly that the whole matter was postponed for a year.

Wallace accused Tshudy on the house floor of embezzlement, and now has gone to court with the charge that he took \$174 out of a \$348 premium he collected from Maybelle M. Bidinger. Mrs. Bidinger said she did pay that sum to Tshudy, but volunteered some doubts about his guilt.

After Tshudy had introduced his proposal to investigate the insurance companies, Wallace offered an amendment to investigate agents and agencies as well, and at that time accused Tshudy of making off with some of the company's money.

Confer on College Courses

More groundwork will be necessary before Oregon colleges can set up insurance courses of the kind envisaged by the associations, representatives of Oregon and Portland Associations of Insurance Agents were told at a meeting at Portland.

In attendance were deans and faculty members from University of Oregon, Oregon State College, Lewis & Clark, Portland University, Portland State Extension Center and Multnomah College.

Presenting the insurance industry's need for college trained insurance graduates were W. B. Johnson, president Portland Assn. of Insurance Agents; Raymond Knapp, Smith & Crakes agency, Eugene, and Doris Rushing, A. S. Frohman agency, president of Insurance Women's Assn. of Portland.

Donald F. Hayne, assistant professor of insurance at the University of Washington, told how that university had provided facilities for insurance training in cooperation with agency forces and companies in Washington. Moderating the general discussion was Edward Zorn, Oregon General Agency.

Coast Veteran Retires

Neal Weaver, assistant manager of Swett & Crawford at San Francisco, has retired and has been succeeded by Ken W. Swett. Mr. Weaver, who was guest of honor at a dinner given by the Swett & Crawford people recently, entered insurance in 1918 with St. Paul F. & M. He joined W. B. Swett & Co. in 1924 as assistant manager and vice-president of Security Ins. Co. of California. In 1926 he was made assistant manager of Swett & Crawford.

Ken Swett started with the organization part time while going to Stanford University, and after service in the army was made north coast special agent. More recently he has been assisting in the development of country business.

No Vote on S. D. Auto Plan

The referendum date on the new South Dakota drivers' permit law has passed without a petition being put through to get this measure on the ballot. As a result, unless the validity of the law is challenged in the courts, every motorist in the state will be required to have a permit by Jan. 1, and South Dakota will be the only state

without a driver licensing law.

The new permits will be purchased from country treasurers for 50 cents and will be good for two years.

A companion measure is the financial responsibility act which has 5/10/2 limits.

Gordon A. Bubolz, head of Home Mutuals of Appleton, Wis., who is a state senator, has taken a leave of absence from his insurance duties and the senate on the advice of his physician. He is said to be suffering from nervous tension due to overwork.

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Form A for Single Location Risks, Now About Universal, Has Serious Drawbacks

NEW YORK—Many fire company executives have opposed use of reporting form A for single risks in this state.

The idea originated in 1931 with the adoption of the rule on the Pacific Coast. About 1939 it began to spread in the east, and subsequently all rating jurisdictions except New York adopted it. After study, New York State Assn. of Local Agents opposed its adoption because its use was, in the opinion of agents, against the interests of public, companies and producers, and particularly discriminated against the small business risk that did not meet the minimum premium requirement.

Subsequent efforts to secure adoption of the rule in New York were defeated. Assn. of Local Agents of the City of New York expressed opposition.

At one point W. J. Reynolds, chairman of Corroon & Reynolds, presented the arguments against the rule. Among these he listed:

Violent disruption of present policy placement and a tendency unduly to concentrate mercantile and manufacturing business. There are 12 monthly reports and if insurance is in more than one company, the reports are multiplied. It magnifies penalty possibilities in event of loss for failure to report within the specified time. The safest bet is to place the business with a single insurer. Unless the producer selects a large insurer, he leaves himself exposed to criticism from competitive sources. The competitor argues, why place all the business with a relatively small insurer when he can procure it in one of the largest insurers in the business at the same cost?

It increases handling costs of insurers and producers. A reporting plan calls for a provisional premium based on 75% of the sum of the annual premiums at each location and computed on the stated limits of liability, and in case of seasonal risks, based on only 30%. After termination of policy the premium is adjusted between insured and company, a total of 13 processes. It creates a tendency toward direct contacts with insured by companies to explain contract requirements with which many producers are unfamiliar. There is little demand for the coverage.

Where the rule is in force it is hard to get monthly reports from insured, which necessitates follow-up correspondence by companies and producers. Many insured's accounting systems are not maintained to permit compliance with the form's contractual obligations. Inevitably there develops unethical competition for business as the reporting and premium adjustment provisions do not sufficiently guard against dishonest mistakes and it is difficult for a rating organization to police properly.

It affects the medium sized and small companies and producers because of the implied advisability of placing the business with a large insurer. The apparent economic advisability of placing with a single insurer also does away with the spread of liability which could have unfavorable effects on contingent earnings.

There are elements of discrimination as between companies and between insured and risks. The minimum premium is \$200. Insured with a \$15,000 property located in a poorly constructed and protected location but with a rate sufficiently high to produce

the minimum enjoys the benefits of the form. Another insured in the same line in a building of better construction and protection is denied the form because his rate, recognizing favorable underwriting factors, does not produce the minimum premium.

Ineligible insured must pay full premium for the amount of liability shown in the policy whereas eligible insured are granted a differential of 25 to 70% as to provisional payments and given about 13 months or more from date of policy to make final payments.

Eligible insured are extended full protection up to the limit of liability free of premium cost in many cases running into hundreds of thousands of dollars when such liability exists only between reporting dates. Ineligible insured, to obtain the same degree of protection, can do so only by specifically endorsing policies for the increased amounts sought.

Eligible insured get automatic pro rata adjustments of liability, increased or decreased, without any restrictions beyond the \$200 minimum. They are not penalized during the policy term for increases in rate. Ineligible insured are not granted this automatic protection. If he wants more insurance, any increase in rate that has taken place must be applied to such increases. Also, reductions in amounts are not automatically provided but must be endorsed on the policy, restricted, however, to percentages bearing between 25 and 50% on a pro rata basis.

He noted that no other city approaches New York City in concentration of values in mercantile and manufacturing business. Use of the selling price clause, involving unrealized profits on unsold merchandise, creates a potential moral hazard in many lines. The possibilities here are enormous in a period of falling markets. This also affects the sale of U.&O. because with selling price cover insured does not need as much business interruption.

New N. Y. Board Directors

H. J. Kiefer, secretary of Aetna Fire; Victor Kurbyweit, secretary America Fore, and David S. McFalls of the R. B. McFalls & Son agency have been appointed directors of New York Board. Vincent C. Lock, metropolitan manager of Commercial Union, has been elected vice-chairman of the committee on public relations.

Coast Loss Assn. Meets

Pacific Coast Fire Loss Assn. held its last meeting of the season at San Francisco, June 16. The first fall meeting is scheduled for Sept. 15.

Up Haskell at Birmingham

American Mutual Liability has appointed Arthur F. Haskell branch sales manager at Birmingham. He joined the company in 1948 in the New England division office at Boston.

Loss Men in Session

Loss Executives Assn. is holding its annual conference this week at Shawnee-on-Delaware, Pa. Speakers include Col. Guthbert Buckle, dean of independent adjusters in England; William A. Rattelman, president National Union and Ray Beggs, general adjuster of General Adjustment Bureau at Houston. Donald B. Sherwood, general adjuster of National Board, was scheduled to talk about storm

losses, if he could get away from the supervisory office which he has opened for National Board at Worcester.

Brown Gives Safety Talk

G. C. Brown, Cincinnati, discussed the automobile situation before a regular luncheon meeting of the Clermont County (O.) Assn. of Insurance Agents. Mr. Brown, who is vice-president of H. Patrick Sweeney Co., urged more attention to safety. He reiterated the view, presently adopted by many insurance men, that automobile manufacturers should stop emphasizing speed and power. What the country needs, Mr. Brown said, is a new "flivver."

John Hardoerfer, Milford, is president of the Clermont board.

Cut Mission Indemnity Capital

Mission Indemnity of Pasadena, Cal., has been authorized by the California department to reduce the par value of its common stock from \$1 per share to 65 cents. This is done to reduce the capital and transfer the difference to surplus. The company has an authorized capital of 2 million shares and the change will reduce the capital to \$1,300,000.

Meeting Competition of Direct Writers Topic of Seattle Panel Discussion

Stock company agents must not yield to the idea that reduced commissions and "methods foreign to the American agency system" constitute the solution to the problem of meeting competition of the direct writers, Thomas A. Harman, chairman of the casualty committee of Washington Assn. of Insurance Agents, declared in a panel discussion on direct writers before a meeting of King County Insurance Assn., Seattle. He asserted that stock company agents are overemphasizing the business they lose to the direct writers, that those who are out "seeing the people" are not suffering from the competition as much as those are permitting their accounts to go to the lower rate insurers by default.

"You have to tell the people you have the best product," Mr. Harman said. He warned that some companies are suggesting that the agents do business like the direct writers and are trying to meet competition by not only suggesting reduced commissions but

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also by "gimmicks" of various sorts "entirely foreign to the agency system."

Agents cannot afford any drop in commissions, he said. Even with a 5% cut, over 50% of the agents would not make expenses, Mr. Harman claimed. If the agents allowed their automobile commissions to be cut, similar cuts in fire commissions would be inevitable. The way to battle the direct writers, he said, is to "show enthusiasm and belief in your product and get across to the people that it costs more because it is worth more."

The panel discussion was opened by Orion D. Starr, Thieme, Morris & Starr, who told the growth of direct writing in the past few years. Robinson Jenner said the problem today is one of trying to adjust what is primarily a profession down to competing on a merchandising basis. "Our personal knowledge and personal service is far superior to that offered by direct writers," he said. "We must try to provide the service we claim we give."

A plea for improved merchandising methods was made by Al Peters of Issaquah. He suggested that a good way to get the agents' story across on a grass-roots level is by means of a weekly column in local newspapers, with explanations of insurance coverages, rates, and methods of operation.

Rotary Fund for Fire Marshal

The Ohio house has passed a bill to create a rotary fund of 1/2% of gross premiums of fire companies in the fire marshal's office to finance a new bureau of fire-training, coordination and control.

Agency Costs Discussed

A discussion of agency costs and what can be done about them was given Cincinnati Fire Underwriters Assn. by James R. Gregory, editor of Rough Notes. H. P. Sweeney, president of the local board, was in charge of the meeting.

Attorney Francis J. Gabel in an address before Casualty Insurance Adjusters Assn. of Southern California on "Relationship Between the Adjuster and Plaintiff's Attorney," declared problems involved could be ironed out more satisfactorily if plaintiff's attorneys had a better understanding of existing situations, and the relationship between attorneys and adjusters were bettered.

James P. Houstoun, Jr., has become a partner in the Houstoun, Stevenson & Cummings agency of Houston.

E. L. Jager has opened his own local agency and real estate office at 10 1/2 Rutledge avenue, Charleston, S. C. He has had 12 years insurance experience.

H. J. Burridge Saluted on 40th Anniversary

(CONTINUED FROM PAGE 2)

dent of what news releases often refer to as a large eastern company. Reporter Burridge asked a somewhat technical question. The executive looked at him dubiously and said, "Young man, if I were to give the answer to that question do you think you'd be able to understand it?"

The National Underwriter Co.'s president is one of those men whose serious and thoughtful appearance belies his lively sense of humor and a wit that is one of the keenest in the business. He is an accomplished leg-puller and, unlike many who love a good joke, he can take it a well as dish it out. In fact, he's as happy regaling his friends with an anecdote that has him as the victim as when it's the other way 'round.

Like the time many years ago that he was returning to Chicago from an insurance meeting with a close friend who is now a prominent insurance executive. They were lurching through the cars, heading for the diner for breakfast. As they entered one of the old-style non-room Pullmans, the friend lustily trolled out a few measures of some barroom ballad. Cutting it short just before they came within sight of the amazed and neck-craning passengers, he loudly and righteously admonished his innocent companion, "Howard, you ought to cut out that early morning drinking."

Mr. Burridge's sense of the ridiculous not only has sensitized him to anything savoring of pompousness in others but acts as an automatic brake on any tendency on his own part to slip into hackneyed modes of expression. One time, in the more serious portion of a talk he was giving at an insurance company's convention, he said with an air of thoughtfulness, "I think it was Ralph Waldo Emerson who said..." Irked at himself for this bit of ponderousness, he broke off and exclaimed, "Hell, I know it was Ralph Waldo Emerson who said..."

If the dictating machine manufacturers ever think of bestowing medals on pioneering business men who used their equipment when it differed little from the original talking-machine invented by Thomas A. Edison, they should certainly include Howard Burridge in their list. For nearly all of his 40-year career with the National Underwriter Co. he has used and promoted the use of dictating machines in the company. Today shorthand is virtually a lost art in all the company's offices.

Use of the dictating machine not only for letters and memorandums but for news articles as well has saved much time and strain for the editorial staff. It was a particularly helpful aid to Mr. Burridge, as typing is not one of his skills. The naturalness and informality of his news stories, and for that matter his letters and memorandums, may well be due in part to his practice of rattling them off conversationally into the mouthpiece of a dictating machine instead of writing them in longhand or on a typewriter.

Observers might also trace a connection between long-time use of the dictating machine and the exceptional clarity of enunciation that characterizes Mr. Burridge's speaking voice, whether in conversation, conducting a meeting, or making a talk. He can be understood even when addressing a gathering large enough so that most speakers would appreciate the help of a public address system. This could well be the result of having had to contend with some of the early dictating equipment, for anyone who didn't enunciate with the utmost clarity was likely to get some surprises when he got his material back from the transcriber, such as "the new advanced death rate" instead of "the annuitant's death rate."

As sales manager, it was natural that Mr. Burridge should be particularly well acquainted among the advertising managers of the insurance companies. He has been especially close to the Life Insurance Advertisers Assn. and many of its members are among his closest friends. He has attended its meetings, almost without a break, since its inception. He developed a style of coverage for these meetings that succeeded in giving the gist of them in a chatty way, avoiding the minutes-of-the-meeting type of account that has such a soporific effect on the reader. Also, his long experience in covering L.A.A. gatherings gave him an invaluable perspective, making it easy for him to pick out the distinctive features of the meeting he was covering as compared with the general run of these sessions.

Several years ago Mr. Burridge turned over the actual covering of the L.A.A. meetings to the editorial staff but he continues attending gatherings of the L.A.A. and also the regional round tables whenever possible. He has participated in these sessions as well as attending them. At one North Central Round Table, for example, he told how home office publicity directors can insure the best treatment for their news releases. To show graphically what he meant, he distributed copies of a faked-up release that embodied the various types of cliches and excess verbiage that he became familiar with over the years. These trite and superfluous expressions were underlined, so that by mentally skipping them the reader could see how the release should have been written.

It is difficult to unravel the character of a well rounded man, and this is peculiarly true of H.J.B., who is as cosmopolitan in his interests and as many sided in his ability to deal with people and situations as any man in or out of fiction. It would be easier to portray another fellow, with one or two outstanding characteristics, such as big ears, or a penchant for yelling at little kids. Yet to leave out any part of him is, as with a Chinese block puzzle, to distort the final form.

It is, truly, in his relations with other people that the complexity and

basic unity of his character become most evident.

Though it is highly likely that no one ever caught him with his heart on his sleeve, he has a genuine affection for people—by no means for all of them but for many. His sensitivity to their rights and feelings he terms "consideration". He has it in a non-obvious but quite real degree for others, and one thing that quickly unglues him from a relationship with his fellow man is the lack of it.

This does not mean that he is either Alphonse or G., or that he is unctious, or anything of that kind. On the contrary, he is a realist, basically; and he has been known to work out rather elaborate and Machiavellian strategies which had as their objective getting others to do things they didn't want to do (or didn't know they wanted to do). He knows more than one way to skin a cat—resolve a situation, make a sale, or get a job done, but in all of the detail and travail of it, he accords the other person a sound basic respect.

His own quite human qualities he has not lost as advancement came to him. As president, he still reports meetings at the behest of an editor, or passes out copies of special editions at conventions. Nothing is too small or insignificant for him to do. He regularly reviews the free subscription list for trimming down. On the other hand on short notice he can deliver a significant talk on trends in the business, or present a quite president-like report on a corporate matter of consequence.

This leads to mention of the fact that he works hard today as he did 25 years ago and as he has done from the day he joined the company. One of the few self-luxuries he has ever been heard even to mention was after his election as president and before he moved from Chicago to Cincinnati. He suggested that he thought that when he could, in his new post he would start for home at 4:30 p.m., or a little after, instead of 5 p.m. as he had been doing for so many years. He seldom has taken a formal vacation but while on a speaking trip he manages to get a few days relaxation bout once a year—but not always. These trips almost invariably are at the invitation of the president or executive of a company he has known and liked for years.

He is an omnivorous reader and has a retentive memory. Here, as from his own experience, he has a natural ability to select what is interesting and amusing and what is significant. This natural ability has been whetted over the years by wide and varied experience.

For a man whose eyesight has not been 20/20 for years (and perhaps never was), the amount he reads is prodigious. He has what is called a heavy desk, across which pours a voluminous and varied correspondence from salesmen, editors, insurance men. He is a corporate officer and does a lot of corporate reading and study, including figures, which he understands, as he must, very well. He reads promptly and assiduously the two weekly editions of The National Underwriter where he finds ideas to use and information to guide judgments.

But with all of his work and the large amount of reading attached to it he finds time—on the rather numerous trips that he must take in connection with his duties, perhaps at home, certainly somewhere—to read a surprisingly large amount of literature. His judgment on current books is keen.

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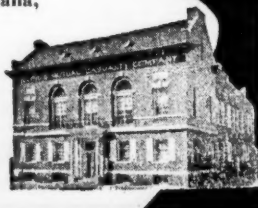
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Events as he relates them become good stories, sharp in character analysis and dramatic (and usually humorous) in situation. Yet with all of his keen sense for the amusing and ridiculous in men there is a warmth in his narratives that is generated by human sympathy and understanding.

He is an excellent talker and story teller, but he can listen with an attention that heightens the skill and interest of the talker. His comments are, if he is interested, ripe, salty, and pertinent. He knows a good joke when he hears one, and he can tell it with savor.

His interests have not diminished a whit with the years, and his abilities are fresh and flexible as ever. It seems as though the books of the corporation are in error and that he has not been with it nearly the 40 years being advertised.

For many years after The National Underwriter Co. was founded by its first president, E. J. Wohlgenuth, Mr. Wohlgenuth himself acted as the sales manager. When Mr. Burrigge was appointed the first sales manager by Mr. Wohlgenuth, he immediately began to operate with the closest kind of relations with his men in the field. When he had an important assignment to make, a quota to be set up, a territory to be changed, rates or prices undergoing revision affecting a man in the field, he would make a personal trip into the territory to consult with the salesman and get his viewpoint on the changes being considered as well as the method for putting them into practice. When a man acted responsibly, there were no order letters or fiats from above. Certainly all of the older salesmen in the company who were working in the field at the time Mr. Burrigge took the reins of sales management have always thought of him as a partner rather than a boss.

Because he himself had been in the field and had studied each company prospect carefully, conversations about business were on a very specific level. There was no general discussion about how many calls were being made each day, how many items were being presented and like statistical conversation. Mr. Burrigge brought out into the field with him the cards covering the sales to the companies in the territory and then there would be a discussion about what was happening in each company. Thus the sales manager was acquainted not just with general conditions but with the status of relations and business with each company.

It is impossible that a salesman and a sales manager would always agree on procedures and under the item by item review of Burrigge sales management, the sessions sometimes would last for a day or a day and a half. Anyone knows that in this period of time and on literally hundreds of problems, tense moments are sure to arise. The salty humor and native wit of Mr. Burrigge always prevented explosions or strained relations. This ability to guide

conversations and meetings away from stormy seas and rocky shoals should receive mention as one of the most notable of Mr. Burrigge's powers.

J. C. Thoms Retires from Agency, Two Partners Added

Joseph C. Thoms has withdrawn from the Thoms, Merrill & Co. agency, which has added two new partners and moved from downtown Newark to 25 West South Orange avenue, South Orange, N. J. Mr. Thoms, who founded the firm in 1924 as Joseph C. Thoms & Co., will devote his entire time to cattle raising. He is president of the New Jersey Aberdeen Angus Assn.

The firm name will continue the same, with Deane W. Merrill as senior partner. He joined the agency as an employee in 1935, becoming a partner in 1946 on his return from the navy. The new partners are Frederick S. Applegate, who joined the firm 2½ years ago after 11 years as a casualty special agent in northern New Jersey for Indemnity of North America, and Arthur E. Koeppel, Jr., who has been with the firm 1½ years and before that was with the Habrich agency in Hackensack, N. J. All three partners are C.P.C.U.s. Mr. Merrill is president of the Essex County Assn. of Insurance Agents and vice-president of the national C.P.C.U. society. Mr. Applegate is vice-president of the New Jersey C.P.C.U. chapter and is supervising instructor of the advanced insurance course at Rutgers University Newark extension division. Mr. Koeppel is a former president of the Hackensack Insurance Assn. and former secretary-treasurer of the New Jersey C.P.C.U.

R. J. Bird Heads Indiana Operations of Wolverine

Wolverine of Battle Creek has appointed Roland J. Bird as Indiana manager. The headquarters are at Lebanon. Mr. Bird joined Wolverine in 1948, starting as underwriter and later was field man in northern Indiana.

Great Amer. Veterans Rally

Members of the home office division of the Quarter Century Club of Great American met for a dinner at Brooklyn with 135 in attendance. There are 360 members nationally.

D. R. Ackerman, chairman of the companies, a 46-year man with Great American, announced that the management was presenting each club member with a wrist watch, silver tray or silver bowl, according to the recipient's choice. Brief talks were given by G. F. Michelbacher, president of Great American Indemnity, and W. E. Newcomb, executive vice-president of Great American.

Frank P. Morris was reelected president. Walter L. Borries and Clair O'Brien were elected vice-president and secretary respectively.

Has Springfield Open House

The W. A. Alexander & Co. agency, Chicago, held open house in its new branch at Springfield, Ill. Presiding at the ceremonies was Wade Fetzer, Jr., Alexander president.

In charge of the Springfield branch is R. Wayne West, who has headed the Alexander service office which was opened in Springfield in 1946.

Big Wind Hits Illinois

According to early reports, winds reaching 100 miles per hour struck in the Carbondale-Centralia (Ill.) area June 13, causing about 5,000 losses averaging \$50 each, with a few larger claims. Hardest hit was Harrisburg with possibly 3,500 losses at the \$50 figure.

American-Associated Promotes Three

E. D. MacKenzie, assistant superintendent of the engineering division of American-Associated at the head office, has been named staff assistant to E. F. Gieck, vice-president, with the rank of superintendent. He will be succeeded as assistant engineering superintendent by Aulton D. Mullendore, who has been engineering supervisor at Hartford. Charles F. Hunter, who has been at Syracuse, succeeds Mr. Mullendore at Hartford.

Mr. MacKenzie graduated from Northeastern University and was with Liberty Mutual at Boston and San Francisco before joining American Auto in 1942 at the head office. He has just received his masters degree in industrial engineering from Washington University.

Mr. Mullendore, a graduate of East Texas State College, joined the company in 1946 after service in the army and with the government. After service at Dallas he moved to Hartford in 1948.

Mr. Hunter was a marine engineer,

and then safety engineer with Eagle-Globe-Royal before going with American-Associated in 1946 at Syracuse.

N.Y. Approves W.C. Rate Revision Basis

NEW YORK—Superintendent Bohlinger of New York has approved the general rate revision of workmen's compensation rates which the New York Insurance Compensation Rating Board filed to become effective on July 1 and thereafter. This revision involves changes in rate levels, classification relativity, loss and expense constants and minimum premiums.

Experience-adjusted rates for risks with rating anniversaries effective July 1 and thereafter will be promulgated starting at once. Revised pages showing the printed manual rates will be distributed in due course.

Mrs. Josie Bean has been elected president of Insurance Women of Memphis. Vice-president is Margaret Thompson; recording secretary, Gladys Dunnam; treasurer, Becky Smith, and corresponding secretary, Verda Ferguson.

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France Has Fund for Motor Vehicle Victims

(CONTINUED FROM PAGE 11)

person who caused the accident would be obliged to reimburse the fund in the amount of the indemnity, although he would not himself be covered by his own insurer. The exclusion has been made then, not for the benefit of the fund, but for the benefit of insured.

To tell the truth, this solution is hardly satisfactory. The relatives in question do not have the same reasons as do the ascendants and descendants or the spouse not to hold liable the person who causes the accident, especially since he cannot be adjudged liable unless he has been at fault, and in that case, they are not protected against his insolvency, which is regrettable. It would clearly be harsh to inflict here the penalties that are envisioned by the decree against those who are not insured—and it must be admitted that the person who caused the accident is, in fact, not insured, although he has taken out a policy and has been obliged to accept the exclusion clause therein—and this consideration has some weight.

The fact is that this exclusion clause

should be eliminated from the policies, and it is hoped that it will not be included in future contracts. When that time comes the decree can be modified, and brothers, brothers-in-law, and sisters-in-law will have protection that legitimately should be theirs.

It should be noted that many policies already cover the insured against his liability in respect of the relatives in question, but only on payment of an extra premium, and it might have been granted that, in this case, the fund would have been obligated if the insurer turned out to be insolvent.

The bringing of an action by the victim against the fund is subject to certain rules which vary according to the situations.

(a) *The person who caused the accident is unknown.*—The victim must prove that it has not been possible to identify him. To this end the decree requires that any official statement or report relating to a bodily accident must expressly state that the person who caused it is unknown, and must be transmitted to the fund by the police or *gendarmerie* authorities within a week from its date (Art. 4).

Under penalty of having his claim

barred, the victim (or his successors in interest) must make a claim against the fund within a year from the date of the accident. Some persons have felt that this period is a bit long, for it is in the fund's interest to be able as rapidly as possible to check the circumstances of the accident. But it was necessary to take into consideration becoming accustomed to the new law, and besides, informed by the report transmitted to it, the fund can proceed to have an investigation undertaken without delay. Others have found the period of a year too short, pointing out that the law would become known to interested persons only after a rather long time, but it is probable that the fund itself, which will know from the report of the police or the *gendarmerie* the names of the victims, will advise them that they may apply to it.

If the victim and the fund cannot reach an amicable agreement on the amount of indemnity, suit must be brought.

(b) *The person who caused the accident is known but not insured.*—The victim (or his successors in interest) cannot in this case bring an action against the fund, unless he proves that the tort-feasor is insolvent, that is, cannot pay the entire damages or some part of them, as determined by a negotiated settlement or by judicial decision.

How will he prove insolvency? The law was silent on this point, though it is of prime importance. It was not possible to rely on ordinary French law, the application of which would have risked bringing on excessive complications and delaying indefinitely payment of the damages. Faithful to the idea of the law, the decree gave a very simple definition of insolvency: it results from a demand for payment followed by a refusal, or without effect for 30 days from its service (Art. 8).

The victim should then make a demand on the fund—to which should be attached a copy of the writ of execution or of the instrument embodying the negotiated settlement—within a year, either from the date of the settlement, or from the date that the judicial decision established the case as *res adjudicata*. However, the rights of victims or their successors in interest are barred if they have not obtained a settlement or started a suit within three years from the date of the accident. It was necessary to protect the fund against demands made too long after the accident, of which the questionable character could not have been easily established.

In a case where the victim was entitled to periodical payments or installment payments of the principal, he will be able to turn to the fund after a year from the due date of a payment that the debtor has failed to make (Art. 7).

Of course, the fund is not bound by the settlement made between the victim and the tort-feasor, and if it does not accept it, the matter should be laid before the court.

(c) *The person who caused the accident is known and insured.*—Normally, the fund does not have to intervene. It can, however, be held responsible if the insurance does not function or only partially covers the damages.

In both cases, the fund is notified by the insurer itself, which should make known "the accidents in connection with which it intends to invoke suspension of the contract or guarantee, non-insurance, an exclusion, or partial insurance" (Art. 5). No mention is made

of lapse, since that is invalid as to the victim, in accordance with the terms of article 115 of the decree of Dec. 30, 1938.

A question may be raised if the victim, against whom the insurer pleads suspension or exclusion, appeals to the fund, which deems the refusal of the insurer to be without foundation. May it require the victim to sue the insurer, without being obligated to intervene itself in the suit? I believe not. In the face of the formal refusal of the insurer to pay, the victim may demand payment from insured and, 20 days after the demand, the fund is obliged to indemnify him, reserving its right of subsequent action against the insurer, since it is subrogated to the rights of the person to whom the indemnity was owed.

In case of partial insurance, the decree has fortunately taken its pattern from a provision of the law of July 1, 1938, on industrial accidents and has ordained that, in the event of failure by the insured to pay the portion of the damages for which he remains responsible, the insurer must pay the victim in full, with the privilege of claiming from the fund reimbursement of what it will thus have paid for the account of its insured, against whom the fund reserves recourse.

The fund benefits by certain provisions in its favor.

(a) Some of these provisions are

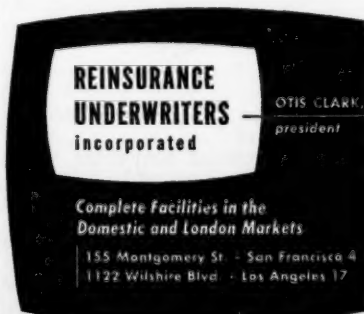


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intended to facilitate its right to intervene in suits between the victims and the tort-feasors or their insurers.

First, the writ of summons or any other action in starting suit having as its object referring a demand for damages to a court of competent jurisdiction must state expressly, either that the defendant is not insured, or, if he is insured, the name and address of the insurance company, or that the plaintiff has not been able to get the information, any inexact statement fraudulently made involving forfeiture of the plaintiff's possibility of recourse against the fund.

In addition, the clerk or secretary of the court of competent jurisdiction must, within two months from the date of learning of a demand for damages from an uninsured defendant or one whose insurer is not indicated in the writ, advise the fund of it by registered letter (Art. 10, al. 3).

Finally, if the victim brings a suit claiming damages, he should, at least two weeks before the hearing, advise the fund by registered letter, with return receipt requested, of his bringing suit or of his intention to do so (unless he knows that the presumed tort-feasor is insured), failure to give notice making the decision in the civil action without force as to the fund (Art. 10, al. 4).

(b) The principal provision for the benefit of the fund is subrogation. The fund is subrogated to the rights of the indemnity creditor against the person liable for the accident or his insurer (Dec. 31, 1951, Art. 15, al. 4).

This subrogation results from the very nature of the fund, which is in the position of a guarantor of the party at fault or his insurer.

The question has been raised whether further provision should not have been made or subrogation have been more definitely limited, in view of the fact that the fund must cover insolvency of the insurer not only for the benefit of accident victims but also for the benefit of insured.

There was a precedent for such action. Article 26 of the act of April 9, 1898, on industrial accidents ordained that the national retirement office—which managed the guaranty fund required to step in where the victim was neither paid by the liable employer nor by the insurer—would have no recourse against an insured employer. The latter was protected by the guaranty fund against the failure of the insurer.

It was not thought possible to go so far.

First, the law of Dec. 31, 1951, gives the guaranty fund a right of subrogation without providing for any limitation. To be sure, it leaves to an official administrative regulation the duty of fixing "the respective or reciprocal obligations and rights of the guaranty fund, the insurer, the person liable for the accident, and the victim or his successors in interest," but this regulation may not derogate from a right formally accorded to the fund by the law itself. As a matter of fact, when, in 1898, it was decided that the employer could not be sued by the national office, if he was insured, it was the law that decided it.

It seemed, besides, dangerous to give insured a guaranty of this sort, which might perhaps have prompted them to seek insurance from insurers following a systematic policy of charging low rates, whose operations would thus have been favored. To be sure, all companies are subject to governmental control, and the public should be able

to deal with all of them in complete confidence, but since this control, in the present state of the legislation, is exercised retrospectively, the contemplated solution would perhaps have led to the establishment of a tariff of minimum rates.

However that may be, the guaranty fund, according to the terms of the law and of the decree, does not cover the insured at all against insolvency of the insurer, which means two things: first, that, if insured is obliged to pay the victim in case of failure of the insurer, he has no recourse against the fund; further, that, if the fund pays off the victim, it may turn for satisfaction, in the same eventuality, to insured.

It should be pointed out that the failure of an insurance company is extremely rare, just because of the supervisory authority, which has at its disposition effective means of anticipating or mitigating the effects, and that, in any case, its insolvency is always only partial.

Finally, the decree of June 30 specifies the different contributions that are to maintain the fund.

As a matter of fact, the law of Dec. 31, 1951, after having prescribed that the fund would be maintained by a triple contribution—contribution from insurance companies or other insurers, contribution from insured motorists, contribution from persons liable for damages but not entitled to insurance payment—had left it to administrative regulations to determine the rate and basis of these contributions.

It was easy to fix the basis of the contribution. For insurance companies, they are based on premiums or assessments, on policies issued in metropolitan France, for automobile insurance. For insured, they are based on the premiums or assessments that they pay in respect of their automobiles. For those liable for damages but not insured or inadequately insured, they are based on the amount of the indemnity for which they personally are responsible (Art. 13).

It was more difficult to fix the rates of contribution, for one can hardly foresee at this time the disbursements for which the fund will be responsible. Further, it would have been awkward to determine the rate too exactly in an official administrative regulation, the procedure for modification of which is rather complicated. So the regulation fixes a ceiling, leaving it to a simple decree to fix and modify the actual rate. This ceiling is, for insurance companies, 12% of the total expenditures of the fund; for insured, 2% of the amount of premiums; for uninsured persons liable for damages, 10% of the amount of the judgments, a rate reduced to 5% if the accident was caused by a vehicle used by the government, by a public organization, or by a carrier exempted from the obligation to carry insurance.

The actual tax will be less, at least for insurance companies and insured, and it is to be expected that the expenditures for which the fund will be responsible will not be too high, if it is true that the proportion of noninsured motorists is not more than 5%; all the more so because, in entrusting the management of the fund to the companies, with the cooperation, in financial operations, of the deposit and consignment office, the expenses of operation will be as low as possible.

(Revue Generale des Assurances Terrestres, May-June, 1952, pp. 105-115.)

Trade Group Starts Study of W.C. Costs in N. Y.

Dr. Joseph S. Keiper has been appointed director of research for the long-range study of workmen's compensation being conducted by Commerce & Industry Assn. of New York. He is associate professor of economics and insurance at the New York University graduate school of business.

The study will go into the reasons for increased costs of W.C., administration and operation of the New York state law, and the way in which insurers and employers are meeting their obligations.

The study is being directed by the association's special committee on W.C., consisting of insured and self-insured employers, and it will work closely with the Moreland investigation commission of the state legislature named to examine into W.C. costs and operations in the state.

To inaugurate its long-range study the association published a book by Henry D. Sayer, general manager of New York Compensation Insurance Rating Board, on "Development and Operation of the New York W.C. Law." The next volume in the series, to be issued shortly, is on medical aspects

of the W.C. law and will contain a discussion of rehabilitation and the problems relating to medical treatment and care.

Teen-Age Safety Contest

Young Men's Board of Trade of New York City is conducting a teen-age safety contest and prizes will be awarded June 20 there. Judges include Price E. Clark of Assn. of Casualty & Surety Companies and Earl Heath, center for safety education at New York University.

The New York City winners will compete in a state contest at West Seneca June 28 and state winners will attend the national teen-age road-e-o in Washington, D. C., Aug. 11-16.

Pa. Field Club Elects

Carl S. Swarr, Jr., U.S.F. & G. state agent for central Pennsylvania, has been elected president of Pennsylvania Field Club to succeed E. J. Renkey, National Union Fire. Vice-president is G. Edward Gingrich, Merchants of Denver; secretary, L. B. Packard, Commercial Union, and treasurer, Arthur C. Olson, Aetna Fire.



**WE ARE LOOKING FOR
MORE GOOD AGENTS**

Eager to Slash Office Costs

Many of our agents have done away with duplicated effort, and boosted their profits—thanks to our Agency Management Service. Write today for the full story.



The Connecticut Fire Ins. Co.
Equitable Fire & Marine Ins. Co.
Minneapolis Fire & Marine Ins. Co.
The Central States Fire Ins. Co.
Atlantic Fire Ins. Co.
Great Eastern Fire Ins. Co.
Reliance Ins. Co. of Canada

WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

CHIEF UNDERWRITER—AUTOMOBILE

Do you have the experience and ability required to assume responsibility for full underwriting supervision of our \$6,000,000 Automobile Department?

This position offers an exceptional opportunity to the man who can qualify. He must be thoroughly experienced; with supervisory background; and must possess personal leadership qualities of enthusiasm, initiative, and sincerity.

We are a nationally known AAAA Capital Stock Agency Company with an outstandingly successful record and unlimited potential. Midwest location. Address S-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Excellent opening for a man who has had training in methods and planning, and has had experience in the insurance field, including planning flow of work in home office, branch office controls, and generally effecting efficient methods.

This is a real opportunity with a strong Midwestern company for the right man. Top salary. Reply National Underwriter, Box T-14, 175 W. Jackson Blvd., Chicago 4, Ill., giving name, age, full statement of qualifications and experience.

Our personnel has been advised of this ad.

DIRECT WRITING AGENCY SUPERVISOR WANTED

Progressive auto insurance company operating in midwest has recently entered direct writing field. Low cost insurance for preferred risks. Renewals handled directly from Home Office. Need such supervisor to appoint local and district agents and supervise activities of present special agents. Unlimited contract opportunities for men with similar experience in this field. Refer T-7, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE DESIRES CHANGE

Present administrative executive of moderate size casualty company would like similar position with faster growing company. Now supervising operations of stock company. Age early forties, excellent health. Will locate anywhere desirable position is available. Complete information and photograph gladly furnished upon inquiry. Address T-20, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

BOND SPECIAL AGENT

Fidelity-Surety, Eastern Michigan out of Detroit. Large Multiple line Stock Company. State experience, and approximate salary desired. Replies confidential. Address S-86, The National Underwriter Co., 175 West Jackson Blvd., Chicago, Ill.

WANTED

Our fast growing fire and auto insurance companies wish to employ a young man with some fire and auto physical damage adjusting experience. This is a good opportunity. Integrity Mutuals, Post Office Box 499, Appleton, Wisconsin.

WANTED—MARINE CLAIMS MAN

A Chicago job with a future if you are 28-35 and have had experience in adjusting and negotiating settlements under commercial inland or Ocean Marine policies. Your prospective employer, a marine and fire insurance company, a leader, seeks a man of initiative and purpose. Our employees know of this ad. Address S-58, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FIELDMAN ST. LOUIS AND COUNTY

We have an opening for a capable, aggressive man with fire and casualty field experience. No traveling required. This is an opportunity to become associated with a top-rated agency company whose progressive policies are nationally known. Attractive employee benefits. Salary open. Address S-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

BOND UNDERWRITER AVAILABLE

Presently employed and prefers midwest location. Desires change to progressive company or agency. Varied experience including 3 "D"-middle forties—25 years experience with companies and agency. Excellent references available. Address T-22, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Experienced Safety Engineer for oilwell drilling contractor, with nine (9) rotary rigs operating in West Texas and Southeast New Mexico Area. In applying, give age, references, and experience. Reply Box S-63, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company, Young Man with some casualty field and underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address P-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FIELD REPRESENTATIVE

Fast growing multiple line independent stock Company operating nationally has outstanding opportunity in Iowa field. It will pay you to investigate. Address S-93, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED COMPTROLLER STATISTICIAN

Mid-West Branch of fast growing casualty company has new position open. Location—central Illinois. Age to 40. Must have experience with all phases of statistical work. Good opportunity. State experience—education—personal information—references. Replies confidential. Address S-94, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER

With heavy experience on compensation, general liability, long haul fleets, excess and surplus lines. This is a Home Office position with a progressive Texas Stock Company. Write giving résumé of experience and salary expected to S-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Senior compensation and liability underwriter, junior automobile underwriter. These positions open in western department of full line stock casualty company. Salaries commensurate with experience and background. Good opportunity for advancement. Address T-5, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Mississippi Agents Elect D. J. Brewer President

(CONTINUED FROM PAGE 4)

bility Bureau; S. C. Southard, Birmingham, manager Mississippi automobile assigned risk plan, and Merle Wilbourn, Jackson, rating director Mississippi insurance commission.

The ladies entertainment program featured a "coffee hour" on Friday morning. J. D. Helms, general agent of Jackson, again won the hearts of the mothers in attendance by sponsoring the "2nd annual convention of junior insurance agents," including a baby sitter service for a record number of children attending the convention with their parents.

Stewart Named in Pa.

John A. Stewart has been named as casualty special agent at Pittsburgh for Boston and Old Colony. He will travel the western part of the state. He has had several years' experience in the casualty lines.

Closing Waco Emergency Office

With the majority of stock company losses in the Waco, Tex., area resulting from the May 11 tornado (Catastrophe No. 37) having been completed, National Board's supervisory office

there will close at the end of business June 19.

New Auto Liability Rates Are Scheduled for Fall

National Bureau of Casualty Underwriters will be ready with a new auto liability rate schedule this fall, Joe H. Bandy of Stokes-Bandy, Nashville, chairman of the casualty committee of National Assn. of Insurance Agents, has reported. The peak in liability insurance costs is leveling off, he added.

The casualty committee is considering four general proposals: (1.) Credit for drivers with from one-to-three-year no-accident records; (2.) credit for high school driver training courses where insured holds a certificate from the training school; (3.) lower rates for married couples under 25 with children (drivers in the under-25 group are more settled after they are married and have children); (4.) a smaller charge for a single girl under 25 than for a single boy under 25 (the latter was found to be a greater risk).

Reuben H. Fleet of San Diego and Palm Springs, founder of Consolidated Aircraft, was elected to the board of General America Corp., holding company of General of Seattle, General Casualty and First National. He fills a vacancy left by the death of W. L. McCormick of Tacoma.

DESIRE MORE RESPONSIBILITY

Multiple line man age 40, Married, 2 children. 15 Yrs. experience—Special Agent, Underwriting, Survey & Analysis work. Trained in Hartford, Conn., Home Office Fire, Marine, Casualty & Bond School. Working knowledge of Dean Schedule. Also some experience negotiating facultative and automatic reinsurance contracts, filing policy forms and rates for approval of state insurance department. Address T-15, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

REAL OPPORTUNITY

for experienced, ambitious man—General Insurance Agency. 1/2 Manager's Interest substantial Agency 75,000 Southwest Missouri town. Full ownership small Agency Southeast Kansas 15,000 population. Either for small down and balance easy if really willing to work. Box T-6, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GOOD OPPORTUNITY

Large Midwest Insurance Company is looking for an experienced fire prevention engineer. Some field work to begin with, with plan of organizing and heading up an engineering department. In reply state fully age, qualification, and salary desired. Address T-8, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Young field man with auto and general casualty experience for state of Iowa. Good opportunity—profit sharing retirement. Write E. W. Link, Motor Vehicle Casualty Co., 209 N. York St., Elmhurst, Ill.

EXPERIENCED SPECIAL AGENT

needed in Indiana by multiple line insurance company operating nationally. Should have some background in multiple line and must be thoroughly experienced in fire. Box #T-9, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY FOR SALE

Fire, auto, general lines. Stock and mutual. Columbia, Mo. Excellent place to raise family. U. of Missouri, Stephens College and Christian College here. Will sell for two years renewal commissions. Approximately \$35,000. Down payment \$10,000. Would consider selling part. Box 188, Columbia, Mo.

APPRAISER

Large insurance company seeks services of experienced appraiser, knowledge of rating schedules essential. Insurance company or inspection bureau experience preferred. Limited travel. Send a complete résumé including work history, 3 personal references and salary desired. P.O. Box 281, Wall St. Station, NY 5, N. Y.

AVAILABLE

Casualty, Fire and Group salesman now employed, desires position of Special Agent in Arizona or California. College grad, 4 years' selling experience, Company Sales award, married. Address T-11, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Combination safety engineer and payroll auditor wanted by prominent Stock Casualty Company for Northern Ohio territory. Headquarters Cleveland. Salary commensurate with ability. Address T-12, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXCELLENT OPPORTUNITY

Large Multiple Line Casualty Company needs the following men in Central Ohio and West Virginia: Bond Mgr.—Cas. Special Agt.—Fire State Agt. All replies confidential. Please address T-13, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

EXECUTIVE

Age 41, family, fully experienced casualty underwriting manager all lines. Valid reason for severing present connection. Good record and references. Will seriously consider almost any location. Address National Underwriter Co., Box 77, 99 John St., New York 38, New York.

INDIANAPOLIS AGENCY

We need a young man for Casualty underwriting. Prefer age 25 to 35 with company experience. Write or phone George H. Batt.

Marsh & McLennan, Inc.
1505 Merchants Bank Building
Indianapolis, Indiana

AVAILABLE

Wish to contact small Mutual Company that can use a man with the following qualifications: 16 years Production and Home office experience with a large Mutual. 3 years Public accounting experience—College graduate—Business administration—C. P. U. Married 43 years of age. Address T-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIM ADJUSTER

Cincinnati branch office of old established company needs reliable, experienced adjuster for casualty and fire lines. Must be 25-35 years of age. Excellent working conditions. Opportunity for advancement. All replies kept in strict confidence. Write Box T-19, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Sees Need for Rate Making, Marketing Study

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ferent rating jurisdictions when the wording may be identical? What about eliminating all old style fire tariff books and substituting rate cards as has been done in certain areas? Should there be a central establishment for printing rate cards? Should rating and form data be distributed from a central headquarters to all agents?

Mr. Bowersock presented a thoughtful analysis of the distribution picture. With the S.E.U.A. decision, the picture has been getting more confused. Aside from reciprocals and direct writers, agents represent stock and mutuals, provide reinsurance or insurance on a stop loss basis for self-insurers, manage self-insurance funds, place business with mutuals for a fee and sometimes control them, and use the London market.

The tie that existed between the average agent and the stock insurers is no longer as exacting as it was, though each definitely needs the other, he declared.

The direct marketing programs in evidence in the automobile liability field, such as Allstate, are a matter of concern to all companies because it is only a question of time when the distribution and marketing methods used by those companies which have to date had a high degree of success will be spread to other lines of business, he said. Stock companies making rates through bureaus can meet the competition of direct writers, though to do so would seriously affect the method of agency compensation as it has been known. This is a serious problem to companies and agents, but one which should be resolved after detailed and exacting studies by producers and company organizations.

It seems inconceivable that agents and companies would be willing to see themselves eliminated as writers of auto insurance. But even if both were willing to retire from that field, the method of production being used by many companies can be directly applied to other classes of insurance. Meanwhile stock companies and agents face an adverse selection of business which will place an increased strain on companies that have done yeoman service in providing auto liability cover the past few years with near disastrous results.

Competition forces changes and those who do not find ways and means of meeting it soon find themselves out of business. It is time for action, he declared, and called for agent cooperation to discover a sound solution.

The revision in the additional extended coverage endorsement effects a change in format to show perils covered in one column and limitations in an opposite column, and alters wording to remove ambiguities developed since the endorsement was introduced more than two years ago, Arthur L. Polley of Hartford Fire, chairman of E.U.A.'s rating methods and research committee, reported.

John R. Robinson, deputy U. S. manager of Phoenix Assurance, reported as chairman of the public relations committee. He outlined the reorganizational program of field clubs in E.U.A. territory.

Kansas City Agents Frolic

About 250 attended the spring party of Insurance Agents Assn. of Kansas

City at Hill Crest Country Club June 12. There was an afternoon of golf, a cocktail hour and a buffet dinner. The out-of-town guests included William Lalor, eastern department manager of Central Surety, and Joe Jackson, Maryville, president of Missouri Assn. of Insurance Agents.

Mutual Life Man Heads

Mutual Fire Organization

The 1752 Club which is an organization of mutual fire and casualty company representatives and consists of various state and regional units, at least in one spot prominently embraces a mutual life insurance company tie-up. Newly elected as president of the New England 1752 Club is Herbert S. Woods, district group manager at Boston of Massachusetts Mutual Life.

This is probably just an isolated and special case but if the mutual life people are to join hands with the mutual fire and casualty organizations in general that would provoke some interesting competitive situations. In the life insurance field mutuals and stock companies lie down together and the par and non-par men are cordial and civil to one another whereas in the fire casualty field the mutual and stock elements, while not as ferocious as they used to be in their trade attitudes towards each other, nevertheless keep their distance and the competitive battle-line between mutual and stock is very much in evidence.

The mutual fire and casualty people always like to speak of the mutual life people in the same breath and try to have the mutual insurance industry thought of as all one kit-and-kaboodle. In a comparison of aggregates, of course, the stock companies would come off decidedly second best, if all the mutual figures were arrayed on one side including those of the mutual life companies.

Rider Called Unauthorized

United Lloyds of El Paso, the Spencer Trehan agency of that city and Mr. Trehan personally have been charged in a suit by Armed Forces Mutual and Acme Mutual with having without authorization attached a rider to a policy of those companies. Armed Forces said it issued a policy in 1948 on a Ford to a Sergeant Lorne Vincent and was notified on March 25 this year that he had been involved in an accident. The car was one for which the 1948 Ford had been traded and was not covered according to Armed Forces Mutual. It was alleged that United Lloyds represented by Mr. Trehan had attached a rider so as to cover the substituted car although United Lloyds was not an authorized agent.

Dubuque to Camden in N. Y.

Robert J. Dubuque, who has been with Aetna Fire group, has been named special agent in western New York for Camden Fire. His headquarters will be at Syracuse.

New List of Surety Bond Qualifiers Is Issued

(CONTINUED FROM PAGE 2)

	1952	1953
General, Tex.	200,000	200,000
Gen. F. & C., N.Y.	2,442,000	3,113,000
Gen. Reins.	2,631,000	2,658,000
Glens Falls	1,097,000	2,780,000
Glens Falls Ind.	1,097,000	1,219,000
Globe Ind.	2,440,000	2,599,000
Granite State	389,000	436,000
Great Am. Ind.	1,555,000	1,640,000
*Guar. of N.A.	162,000	155,000
Hanover	1,314,000	1,562,000
Hartford Acc.	6,822,000	6,959,000
Hawkeye-Sec.	179,000	198,000
Home	15,518,000	16,863,000
Home Ind.	1,678,000	1,507,000
Houston F. & C.	313,000	542,000
Indem. of N.A.	4,553,000	5,194,000
Indus. Ind.	433,000	561,000
*Ins. of N.A.	23,296,000	26,375,000
Intl. Fid.	198,000	201,000
Kan. Bankers Sur.	67,000	69,000
K.C.F. & M.	209,000	201,000
Liberty Mut.	4,277,000	4,543,000
*London Guar.	923,000	982,000
L. & L. Ind.	333,000	327,000
Lumb. Mut. Cas.	1,650,000	1,700,000
Maine Bond.	93,000	88,000
Mfrs. Cas.	587,000	586,000
Md. Cas.	3,229,000	3,573,000
Mass. Bond.	1,438,000	1,473,000
Mech. & Trad.	559,000	62,000
Merch. N. Y.	610,000	2,729,000
Merch. Ind.	839,000	873,000
Met. Cas.	839,000	832,000
Nat. Auto	202,000	223,000
Natl. Cas.	550,000	550,000
Natl. Fire	3,682,000	3,968,000
Natl. Gr. Mut.	400,000	367,000
Natl. Sur.	2,463,000	2,645,000
Natl. Union	1,425,000	1,368,000
Natl. Un. Ind.	193,000	183,000
Newark	836,000	903,000
New Am. Cas.	2,054,000	2,084,000
New Engl.	725,000	761,000
New Hamp.	1,467,000	1,485,000
N. A. C. & S. Re	1,191,000	1,335,000
*N. A. F. & M. Re	213,000	213,000
North River	2,798,000	2,798,000
N. W. Cas.	470,000	518,000
*Ocean Acc.	771,000	823,000
Ohio Cas.	1,000,000	1,000,000
O. Farm Ind.	263,000	336,000
Old Colony	1,077,000	1,170,000
*Pacific of Hawaii	81,000	81,000
Pac. Empl.	385,000	422,000
Pac. Ind.	1,109,000	1,175,000
Pac. Natl. Fire	890,000	1,130,000
Peerless Cas.	406,000	552,000
Phoenix, Conn.	7,120,000	7,832,000
Phoenix Ind.	515,000	560,000
Prov. Wash. Ind.	356,000	317,000
Queen	2,216,000	2,359,000
Reliance	517,000	565,000
Royal Ind.	2,618,000	2,739,000
St. Paul F. & M.	5,974,000	6,812,000
St. Paul-Merc. Ind.	1,106,000	1,114,000
*Sea	600,000	600,000
Sec. Conn.	922,000	1,039,000
Seaboard Sur.	887,000	973,000
Spfld. F. & M.	3,419,000	3,627,000
Standard Acc.	2,131,000	2,222,000
Standard, N. Y.	653,000	925,000
Summit F. & S.	41,000	44,000
Sun Ind.	365,000	394,000
*Swiss Re	1,678,000	1,933,000
Texas Ind.	68,000	73,000
Trad. & Gen.	207,000	209,000
Trans. Cont.	173,000	517,000
Transit Cas.	463,000	179,000
Transportation	253,000	262,000
Trav. Ind.	3,560,000	3,750,000
Trin-Ind.	560,000	690,000
Tri-State	101,000	108,000
United Natl. Ind.	393,000	413,000
United Pac.	449,000	460,000
U. S. Cas.	813,000	760,000
U. S. Guar.	2,360,000	2,586,000
U. S. Fire	1,164,000	4,569,000
U.S.F. & G.G.	7,164,000	7,966,000
Va. Sur.	88,000	94,000
Vigilant	501,000	549,000
West Am.	147,000	140,000
West C. & S.	486,000	556,000
West. Fire, Kan.	371,000	371,000
West. Natl.	506,000	602,000
West. Sur.	202,000	209,000
World F. & M.	545,000	641,000
Westchester	2,369,000	2,369,000
York Ind.	169,000	171,000

*Approved for reinsurance only.

American Service Bureau Loses NLRB Decision

WASHINGTON—National labor relations board has ordered election within 30 days among Los Angeles employees of American Service Bureau of Chicago, which is the reporting service that is closely allied to American Life Convention, to determine whether they desire to be represented in collective bargaining by Insurance & Allied Workers Organizing Committee, CIO.

The decision discusses the confidential character of employer's work and possible relationship between persons doing that work and insurance agents also represented by IAWOI, in connection with the A.S.B.'s motion to dismiss the petition. A.S.B. contended that to permit representation of investigators and agents by the same union, even though in separate units and by different locals, "would necessarily give rise to divided loyalty, a result inimical to the spirit and purpose" of the law.

The decision agrees that the investigations can and do have a definite effect on the employment status or earnings of agents. Thus, the refusal by an underwriter to issue a policy as a result of an A.S.B. investigation results in loss of commission to the agent. Similarly, an agent may be refused employment as a result of investigation. Any irregularities on the part of an agent discovered by an investigator may result in the discharge of the agent.

"We agree that the work of the employees requires their undivided loyalty, but in balancing the interest of the employer and the employees we find no cogent reason for us to limit the full freedom, normally contemplated by the act, of employees to select representatives of their own choosing."

D. C. Bills Are Favored

The House District of Columbia insurance subcommittee has voted to recommend that licensed life insurance agents be authorized to place A.&H. business through a life insurance company without taking further examination. He might place the A.&H. business with his own or with another life company. If he places it with a casualty company, however, he must take a written examination.

The committee also recommended that the model A.&H. standard provisions law be enacted.

L. & L. Names Thomas in Mo.

Robert L. Thomas has been named special agent at Missouri for London & Lancashire group, associated with D. L. Hoffman, state agent, and John L. Hoffman, special agent. His headquarters will be at Moberly. He is a war veteran.

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Agents, Insurers Will Solve Competitive Auto Problem

(CONTINUED FROM PAGE 15)
beginning July 1? The answer was yes.

Between February and July, of the companies represented in the answer to the question, 13 withdrew the yes or restricted their writings. It created a problem of distressed business, and that problem still exists to a certain extent, Mr. Crossley said.

He noted that the assigned risk pool is getting a terrific volume, and some risks going into it do not belong there. Any studies being conducted by the business are concerned with this maldistribution. As to the expense portion of the premium, any rating plan developed by bureau companies will aim at holding down paper work all along the line.

He noted that prior to the announcement in some western states of a refined classification by Mutual Bureau companies, joint studies with the National Bureau had shown a 6% automobile rate inadequacy. Consequently the National Bureau did not go along with the mutuals. The cost of the new mutual bureau plan and the experience of its companies with the plan are such that the mutual bureau does not plan to extend the plan at this time, Mr. Crossley said.

Many companies are finding with losses that class 1 risks are actually class 2 or class 3 exposures.

Asked if bureau companies are going to have a safe driver reward plan, he replied that with a 6% rate inadequacy companies cannot give 15 or even 10% back. He predicted there will not be such a plan at this time.

Allstate uses an illustrated automobile policy. Is National Bureau con-

sidering this? Would it help in competition with Allstate?

Mr. Wilcox replied that he didn't think the insurer needed to draw a picture of the coverages and suggested that insured of bureau companies know how to read. A great deal can be done with the form of the policy, however; on methods of billing to eliminate operations, on underwriting by one office (either branch or home office) and not by two. Many little things need to be done.

In the larger offices mechanical equipment helps. Mr. Crossley said the Ditto Co. has developed a policy writing machine which saves Travelers 1.23% of total expense on a total of about 17% for branch office operations. Permitting agents to do some underwriting and adding many no premium endorsements themselves is helping.

Mr. Wilcox was asked where he would find a market for the increased automobile business his more efficient and sales minded agent is going to have. He replied that if the agent underwrites it, he will have no trouble placing it.

Mr. Fosbrink commented that all good business has a market. He said agents are not going to get an O.L.&T. assigned risk pool. That is trying to keep firms in business that don't belong there—unless they change their practices, housekeeping, etc. Thus, if drivers were off the road who do not belong there, there wouldn't be a market or rate problem today in automobile. There are zoning laws that prevent unsafe or improper buildings or operations; what is needed is a similar law to prevent unsafe drivers.

Though panel members had indicated that experience does not point

to sharp price adjustments in auto rates to meet competition, they also indicated that experience does not point in the direction of rate increases.

Could there be worked out standardized applications and loss forms, which would save a lot of time and money?

Mr. Crossley said the National Bureau rating committee has been discussing standardization in this area, and reduction of questions on applications, which could be a very important item.

Why are collision rates the same throughout a state and the B.I. and P.D.L. rates differ by several territories? Mr. Wilcox replied that the cost of a car is about the same in every area and it is the cost of the claim that is important statistically in the rating picture. The car price puts a ceiling on the extent of any claim, whereas B.I. and P.D.L. verdicts are much higher in one territory than another. There is no ceiling on B.I. claim settlements.

Why do companies pay small claims to get rid of them? Isn't the business now suffering as a result of this philosophy? Mr. Fosbrink said that paying claims is a matter of judgment. Agents must have faith that their companies have good adjusters and claim men who have a great many figures and facts to go on. The agent cannot always be the best judge of what and when to pay.

President E. H. Clarke of Manchester said the association has been working for an O.L.&T. assigned risk plan. The reaction of companies, however, is that all insurers would have to be in it and that it is not practicable on non-compulsory coverages. Agents now doubt they will get such a plan unless

the insurance department takes an interest.

The association is working for improvement in the automobile assigned risk plan, with respect to a simplified questionnaire.

Mr. Clarke said the association is disappointed with the way the ice storm in January was handled by National Board and that it hopes for an improvement in the board's methods and techniques of handling disasters.

The association now has under discussion with the Compensation Rating Bureau of Connecticut the fact that any insurer can get vital rating information from the bureau without a letter of authorization from insured. Direct writers are taking advantage of this, and agents are trying to get the bureau to require a letter of authorization as it previously did, before giving out such information.

Much consideration is being given the advisability of requiring a pro rata short rate endorsement to relieve agency and insured of inconvenience of cancelling and rewriting coverage due to rate reduction. However, agents themselves disagreed on the need of this and the idea was dropped. The association would like to see better timing and publicity on rate reductions. Agents do not have the right to question the propriety of these changes but are concerned with the way it is done.

Two new local boards are forming, Simsbury and East Hartford, Mr. Clarke reported. The association expressed disapproval of the Bank Share Owners Advisory League of Chicago.

Membership is at an all time peak of 813 with 27 local boards, Mr. Clarke said.

At the convention, brochures explaining the association's citizens for safety campaign were passed out and Mr. Clarke urged agents to get customers to sign. He noted that insurers do not pay excessive jury awards or physical damage losses if accidents don't happen.

Rev. John E. Wiley, pastor of the Second Congregational Church at New London, and a brother of W. Harry Wiley, executive secretary of the association, gave the invocation. Frank Wagner of the Connecticut department noted that for the first time real estate agent's licenses are required in the state. He spoke briefly at the luncheon.

Mr. Clarke recently lost his mother, who died at Manchester.

Haynie Roanoke President

L. Graham Haynie, Jr., has been elected president of Roanoke (Va.) Association of Insurance Agents. Emory L. Perdue is vice-president and Julian Rutherford secretary.

Woman Held as Embezzler

A warrant charging Mrs. Vione McCollum with embezzlement involving \$5,393 from the Conkey-Morrissey Agency, Appleton, Wis., has been issued. Mrs. McCollum was employed by the agency through most of 1952. According to the district attorney, the amount may exceed \$10,000.

Don Morrissey of the agency is president of Wisconsin Assn. of Insurance Agents.

Charles F. Zehnder, Nashville general agent, was honor guest at parties given at New York by Royal-Liverpool, Century and Commercial Union in observance of his 50th anniversary as an insurance agent.

The J. G. Creamer agency, Harrisburg, Pa., has been purchased by George F. Hulise. Mr. Creamer will remain with the agency in an associate capacity.

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Idaho Furnishes New N.A.I.C. Wit

Theo Barraclough, who recently resigned as chief examiner of the Idaho insurance department to become connected with Snake River Mutual Fire of Idaho, is now enjoying a European trip. The head office of Snake River has been moved from Idaho Falls to Boise. Mr. Barraclough was with the department 18 years. Succeeding Mr. Barraclough as chief examiner is R. J. Albertson, who has been with the department a number of years.

Mr. Albertson made a hit at the N.A.I.C. convention on two occasions. He speaks in spirited and witty style. The first occasion was when he addressed the session of the A. & H. committee on problem relating to non-profit medical associations in his state, particularly because of their failure to take account of maternity benefit liabilities. He spoke in breezy fashion and tripped amusingly over delicate ground.

His second appearance was calculated for laughs. He stepped forward to give the report of the taxation and real estate committee of the N.A.I.C. This is a notorious do-nothing committee in the organization. It was set up a good many years ago at the behest of Frank Viehmann when he was first Indiana commissioner and it was supposed to have something to do with real estate appraisals but nobody ever just figured out the angles. At one time there was a move made to abolish the committee but then someone thought this might give offense to the real estate people so its title was changed to taxation and real estate, but it has remained a committee without agenda.

John Holmes, Montana, is the chairman, but Mr. Albertson in reporting, said that Mr. Holmes was so distressed by the nature of his report that he couldn't face the industry to make it in person and Leo O'Connell, the Idaho

commissioner, also a member of the committee, likewise couldn't face the music. The report was that due to the mess that was left by the previous administration, it will be impossible to reduce taxes for another six months.

Minn. Bar Chief Blames Insurers for Court Delays

MINNEAPOLIS—Automobile owners who buy insurance want protection, they do not want to buy a lawsuit with every policy. That was one of the criticisms leveled at auto-writing companies by Clifford W. Gardner, president of Minnesota State Bar Assn., in his address at the annual meeting here.

Mr. Gardner put blame on some of the insurers for the delay in handling claims in the courts, some of which are being heard for the first time seven years after the accident. He suggested that the procedure be changed to allow insurance companies to be named defendants in negligence suits. "It would go a long way to influence stubborn companies to resolve the litigation and help clear calendar congestion," Mr. Gardner said.

While accident litigation has been increasing rapidly, court facilities for handling it have remained pretty much static, he said.

He asserted that it seems to be the philosophy of some insurance companies to delay to the last moment the disposition of claims arising from litigation and also to concentrate the handling of the defense of these cases into the hands of a relatively few lawyers.

"The average person of ordinary intelligence carries liability insurance for his protection," Mr. Gardner said, "hoping to cover not only his passenger or passengers but pedestrians and others using motor vehicles on the highways. When such coverage exists, every judge and lawyer knows that the insurance company is the real party in interest. Yet, in Minnesota, the companies may not be named defendants. This is a procedural matter which can be cured by an adequate rule promulgated by the supreme court of the state."

To cure the court congestion will require the sincere cooperation of the insurers, the lawyers and the courts, he said. "Anything less is going to result in other methods which will at once deprive the claimant of his just damages, deprive the lawyers of a substantial source of their income, and deprive the courts of the respect which has been earned and maintained by them."

Meritplan Is 24% Off

Meritplan Ins. Co. of Los Angeles, which has been formed by the Victor Montgomery general agency and Pacific Employers, is writing a six-month automobile policy and is paying only 10% commission to agents. It is writing preferred business only. The rates on class 1 are 24% off bureau, which is exactly the scale of Allstate. All the billing and other dealings with policyholders are handled from the head office. No commercial business is written; only light farm trucks.

Sutton Joins Picton-Cavanaugh

Dean L. Sutton has been appointed office manager of the Picton-Cavanaugh general agency at Toledo. He is a graduate of Ohio State University, and a war veteran, and has about six years insurance experience.

Kankakee County (Ill.) Insurance Assn. has scheduled its annual outing at Kankakee Valley Country Club Sept. 9.



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It Happened While He Was President

18: ULYSSES S. GRANT



ULYSSES S. GRANT

Eighteenth President. Born April 27, 1822; died July 23, 1885.



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was invented in 1876.



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RAILROAD was completed in 1869.



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Uniform Accounting Big Issue at N.A.I.C. Rally

(CONTINUED FROM PAGE 1)

graphic corps of 20 or more on the job almost 24 hours daily.

Wade Martin of Louisiana, the outgoing president, is a real smoothy in the best sense in handling convention business. He kept everything moving on time. He said the right thing at the right time and operated in a seemingly effortless way. He is adroit in saying the right thing and he is always giving credit where it is due. He had an elaborate lot of mechanical gadgets in his suite for carrying on his Louisiana business during the week. He is secretary of state and is ex-officio on every commission in the state.

To most of the fire and casualty people the most important and far-reaching matter at San Francisco was U. A. There was a joint sub-committee of the rates and rating organizations committee and the uniform accounting committee that submitted a report and made the recommendation that rates be keyed to uniform accounting indications. At a meeting of the uniform accounting committee earlier in the week, an attempt was made to doctor up the report so that it would be acceptable all around, but this failed. One suggestion was for instance that something like this be inserted: "The use of data obtained from the insurance expense exhibit should not be obligatory in the making of rates; in rate making due consideration may be given to expense exhibit indications and all other relevant factors."

Then at the final plenary session, Thursday afternoon, came a top level appeal to the commissioners to go slow on this matter. It was a dignified and impressive appeal and was not argumentative. James B. Donovan, general counsel of National Bureau of Casualty & Surety Underwriters, led off by saying that there is a strong feeling on the part of the industry that the question should be remanded for further study.

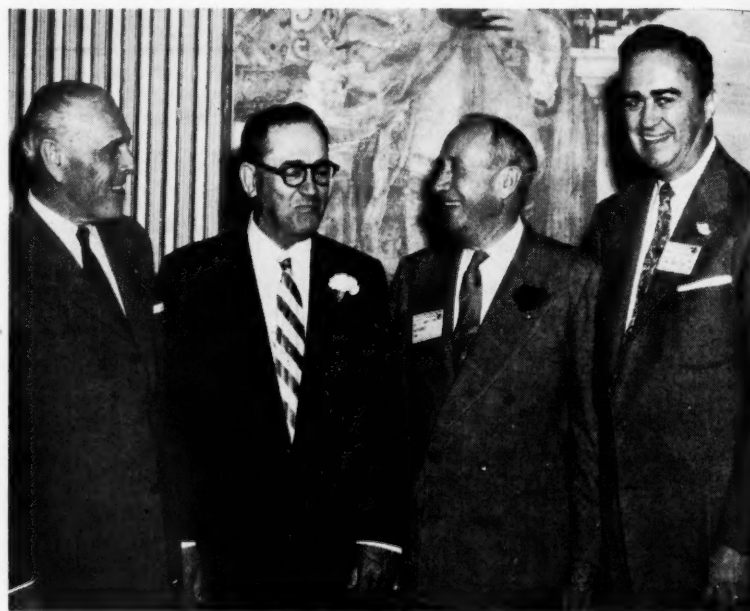
Then James Crafts spoke as representing senior executives of insurance companies. In the past, he said,

the senior executives have referred rate making matters and uniform accounting to the technicians. But when rate making and uniform accounting are combined, "you are hitting at the roots of the insurance business."

One of the representatives of the uniform accounting committee spent seven months in Fireman's Fund office on this subject. Mr. Crafts said he has concluded that there are few corporate executives that understand the import of what is being suggested. He counseled the yellow light of caution so that there can be studied the further impact of what is proposed. He said that he dislikes procrastinating on important problems, but this one is so complicated that it would be unwise to take premature action.

Approval was given to the proposal to appoint a subcommittee of the examinations committee to meet with an industry committee to study and recommend changes in the 1953 manual of examinations of insurance companies. This subcommittee will consist of the chairmen of zones 1 and 2, and four members from the subcommittee on the examination manual. This was done in response to a request made by Raymond Berry, general counsel of National Board of Fire Underwriters, at a meeting of the examinations committee. Mr. Berry said that a group of insurance executives is giving attention to this matter and desires to pave the way for conferring with the commissioners. It is understood that the fire and casualty leaders are getting increasingly disturbed at the mounting costs of company examinations and some are pretty hot under the collar. However, Mr. Berry in his presentation went no further than to ask for the creation of liaison machinery.

Fire insurance people were pleased at the suggestion of Navarre of Michigan at one of the committee meetings that the N.A.I.C. appoint a subcommittee to discuss occupational hazard classifications in fire insurance, along with a committee of the industry. Zone 4 had been tackling this matter on its own and Illinois had issued instructions for reporting on a special basis that deviated from the National Board



Commissioner Hugh Combs of Arkansas, flanked by three ex-commissioners of his state: Herbert Graves, vice-president of National Old Line Life of Little Rock; Mr. Combs, M. J. Harrison, Little Rock attorney, and Jack G. McKenzie of San Francisco, legislative counsel for National Board of Fire Underwriters.

pattern. Insurance Director Barrett just recently rescinded that action which was taken by his predecessor but at the same time Mr. Navarre had issued similar regulations. This probably indicates that Mr. Navarre will undo that action and that Zone 4 will cease its efforts to go its own way in this field.

The final action on the matter of statutory fire policy in the writing of multiple lines was to recommend to the executive committee that this problem either be referred to a subcommittee about to be appointed to study the creation of multiple line underwriting or in the alternative, a subcommittee be appointed to study the statutory fire policy in the writing of multiple lines. At the meeting of the fire and marine committee on this matter, Hugh Mills, West Virginia commissioner, voiced displeasure with the report of the industry committee on the problem. He indicated he believed that they had not come to grips with the matter. He said that an N.A.I.C. committee should be appointed not to make the investigation itself, but to "knock the heads of the industry together." He said there is no reason for the companies to put out two policies when one would suffice and he is all for carrying the standard fire policy conditions into other forms of insurance so that everything can be rolled up into one ball of wax.

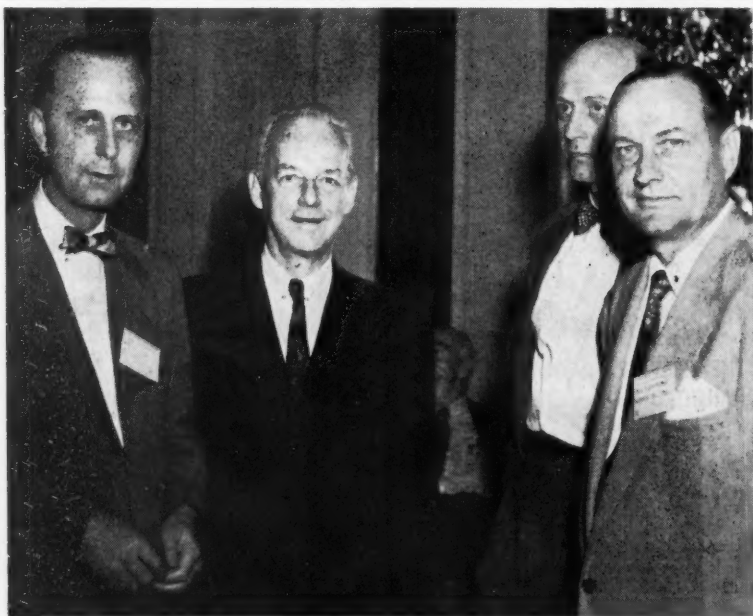
The N.A.I.C. adopted a statement that was hostile to the insurance plan of the Bank Share Owners Advisory League of Illinois. This is the program that is being spearheaded by Henry Scarborough of Scarborough & Co., prominent Lloyds representative of Chicago and the president of Central National Bank of that city. It involves a plan to sell excess surety bond protection to banks. The subcommittee that had been appointed to take up this matter said the B.S.O.A.L. plan is no different from the fictitious fleet arrangements which have been disapproved for domestic licensed companies in practically all states as being unfairly discriminatory. Hence the subcommittee urged the commissioners to view this plan of bonding from that viewpoint. Also the subcommittee said consideration should be given

to the evasion of premium taxes which this plan, if instituted, will create.

Martin W. Lewis, general manager of Surety Assn. of America, appeared earlier before the casualty and surety committee on this matter. He said B.S.O.A.L. was organized for the asserted purpose of prevention of losses but it is in reality a fictitious fleet arrangement under which it has arranged with Lloyds for a master fidelity policy against which certificates are issued to individual banks. He said there can be no objection to the operations of this so-called league in Illinois where Lloyds is licensed, if the Illinois department feels that is a legal arrangement, but when they solicit banks in other states by mail or otherwise, and endeavor to cover them under this master policy, then he expressed the belief that the insurance commissioners should look into the situation. If this can be done in the field of suretyship it can be done in other fields.

He was asked how many banks were going to be in this scheme. He said that as of May, 1952, the announcement was that the plan would be put into effect when 1,000 banks had signed up. In September, 1952, this was reduced to 500 and in January, 1953 it was cut to 250 banks or \$250,000 which ever came first.

It was decided to defer action on the draft of a uniform qualification and licensing law for all types of agents including property and life. Commissioner Navarre of Michigan, who has this matter very much at heart, pressed to get final action on the matter at San Francisco, but he was up against a stone wall and he finally gave in gracefully. As a matter of fact, it was Navarre that pulled this whole thing out of the ash can three years or so ago when the all-industry committee reported to the commissioners that any attempt to get a bill to blanket all types of agents in all states was futile. As a matter of fact, there are a lot of the commissioners and industry people who feel that uniformity in this sphere is not necessarily desirable—that this is a field in which it is perfectly logical for the states to go their own way. However, Mr. Navarre at that time made a fervent appeal to take another look at the matter and he



Foursome at N.A.I.C. meeting at San Francisco pictured by H. H. Fuller of National Bureau of Casualty Underwriters, Chicago: George H. Kline New York deputy; Randolph Paul, prominent Washington tax attorney, who is representing Allstate in an attempt to get a change in the basis of taxation of fire and casualty companies, and Adrien W. De Wind, New York representative of Mr. Paul's firm, and Emil C. Chervenak, president of Service Fire.

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Before the camera of H. H. Fuller at N.A.I.C. convention at San Francisco: James B. Donovan, general counsel National Bureau of Casualty Underwriters; Leo O'Connell, Idaho commissioner; James M. Cahill, National Bureau; George Burt, South Dakota commissioner; L. Nelson Lee, Jr., Commonwealth Life & Accident; Lawrence Leggett, Missouri commissioner who is being mentioned as a strong candidate for chairman of executive committee next year; A. Z. Skelding and William Leslie Jr., of National Council on Compensation Insurance; Commissioner Cogswell of Massachusetts and H. F. Richardson of National Council, and Howard Gates, chief deputy of Maryland.

has kept the proposition alive.

The most vociferous objections at San Francisco came from the life insurance side. Carlyle Dunaway of National Assn. of Life Underwriters entered repeated objection on behalf of his group. He said N.A.L.U. is committed to a particular bill on qualification and licensing of life insurance agents and they have had a hard

meeting that was not scheduled in advance and was not in the printed program. There were only a few copies of the proposed draft floating around. He expressed the hope that the matter would not be jammed through.

Mr. Navarre said it is irksome to face situations whereunder the industry spokesmen claim they have to go back and consult their representatives.

be a sub-committee meeting scheduled at Miami Beach and the matter disposed of then.

Mr. Cheek said that in qualification legislation there must be a classification of agents. This was done in North Carolina to everyone's satisfaction. For instance auto dealers were dealt with separately. They wanted an examination required for auto dealers to be licensed as agents because if this were not done then they said every filling station operator would sell insurance.

Mr. Knowlton said that the draft of the proposed uniform bill that was unveiled at San Francisco was what the sub-committee had agreed upon May 15. At that time the sub-committee took out prohibition against vendor-vendee transactions.

Lee Shield of American Life Convention said that this idea of a uniform bill is a futile undertaking. He said the life underwriters know what they want. There are varying ideas state by state and uniformity at the N.A.I.C. level would be meaningless. Mr. Navarre was insisting that the proposed draft be criticized item by item. Mr. Shield objected to the proposed requirement that the licensee should be 21 years of age. This would bar the licensing of many college juniors and seniors whose interest the life companies are undertaking to kindle. Trustworthiness and competency are the important elements, not age, he said.

The laws and legislation committee in its final action deleted the recommendation of its subcommittee on security or insolvency funds endorsing the principle of security fund legisla-

sation and automobile liability insurance. This recommendation was insertion in the field of workmen's compensation by the subcommittee during the course of an executive session and was one of several matters that came out in this way without the industry having had an opportunity to participate in the discussion on the subject and without being apprised that serious consideration was being given to it.

Everybody is in the uniform accounting fight now. Until the San Francisco convention this was exclusively a headache for the fire and casualty people. At San Francisco a determined effort was made on the part of Superintendent Bohlinger to bring the life insurance companies into the net. Although they managed to escape (by a vote of 5 to 4 in the committee), they realize that the issue has yet to be met head on.

At the Tuesday afternoon meeting of the uniform accounting committee of which Lange of Wisconsin is chairman, there was a sprinkling of life insurance representatives in the room. On previous occasions there had been none. In the open session discussion and debate was concerned only with the provocative question of whether uniform accounting indications should be used as a guide or in any other way be made to relate to rate making in fire and casualty insurance. There was no mention whatsoever of life insurance and the life insurance people thought they were off the hook.

However, it leaked out that during (CONTINUED ON PAGE 35)



Scene during commissioning of new Nebraska admirals at N.A.I.C. convention: Above, James F. Crafts, president of Fireman's Fund and chairman of committee on arrangements; C. A. Mueller, chief assistant commissioner of California; E. S. Cogswell, Massachusetts commissioner; Harry E. Wells, Indiana commissioner. Inset left, Martin Lewis, general manager of Surety Assn. of America, who collaborated in the ceremonies, and inset, right, R. E. Barrett, Illinois insurance director.

enough time as it is getting that through just a hand full of states, and if that fight is going to be mixed in with that of the fire and casualty agents, auto dealers, mortgage loan people and what not, they face a hopeless situation.

There was a final session in which it looked as if there might be a stampede in favor of a final draft that had been whipped in shape. Representatives of National Assn. of Insurance Brokers and of National Assn. of Insurance Agents got up and announced they had no objection to the measure. It looked as if there was going to be a roll call and everybody was going to get on board. Mr. Navarre at this point asked any objectors to speak now or forever hold their peace. At this Mr. Dunaway got up and repeated his very firm objection, and C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents, said he sympathized with Mr. Navarre's objective, but he said his people have a right to pass on anything that affects their interest. He said it is not a matter of life or death. Some of what is contained in the draft is contrary to the laws of some of the states. There were a number of controversial matters that were rushed through and put the commissioners behind the eight ball. He said the matter

was presented at San Francisco at a This ties up the commissioners. The companies and agents, he declared, should authorize their representatives to speak for them. It is an imposition to send uninstructed representatives to such a meeting.

Taylor of Oregon said this is not a life or death matter, but it is a boring question. He recalled that at Swampscott the commissioners were ready to dump the proposition and put the whole thing off and forget it. This is a matter for the agents to delve into in their own states. The public isn't being hurt. It should be forgotten and removed from the agenda, he said.

Knowlton of New Hampshire said many subscribe to the views of Mr. Harrington. It is understandable that people don't want to subscribe to a program that they haven't had an opportunity to study. He said he was willing to continue the matter.

Cheek of North Carolina said it is not incumbent on the insurance commissioners to draft such a law. What N.A.I.C. should do is to state that if the industry does not come up with a bill by December, the commissioners will say the industry doesn't want a uniform bill.

Mr. Knowlton said he would be willing to have copies of the proposed draft made and distributed and there should



N.A.I.A. leaders at N.A.I.C. convention pictured by Harry H. Fuller: John Neville, secretary; R. E. Battles, Los Angeles, president California Assn. of Insurance Agents; Walter Sheldon of Chicago, president, and E. J. Seymour of Monroe, La., vice-president.

Growth of Group Coverages Shown in Tabulation Covering Three Years

NEW YORK—Life Insurance Assn. of America has estimated from data contributed by 361 U. S. and Canadian insurers the amount of group business done in 1952 in various categories. The tabulation covers all life, A. & H. and

casualty companies. Included also in the tabulation are the figures for 1950 and 1951 except on major medical employe and dependent coverage, on which figures were not collected prior to 1952. Master policies and certificates

providing more than one coverage were counted for each kind of cover.

The complete tabulation includes group life and group annuities but these are omitted from the accompanying table.

GROUP INSURANCE AND GROUP ANNUITY COVERAGE—CONTINENTAL UNITED STATES BUSINESS—1950, 1951 AND 1952

All Life, Accident and Health, and Casualty Insurance Companies

Estimated by the Life Insurance Association of America from data contributed by 361 United States and Canadian insurance companies

Kind of Coverage	Year	New Business Issued During Year			Total in Force December 31			Premiums and Considerations During Year
		Number of Master Policies	Number of Individuals Covered	Total Amount of Coverage	Number of Master Policies	Number of Individuals Covered	Total Amount of Coverage	
Group Accident and Health (Weekly Indemnity)	1952	26,450	1,593,000	Weekly Indemnity 47,600,000	216,090	17,623,000	Weekly Indemnity 480,400,000	410,100,000
	1951	26,570	1,493,000	42,000,000	203,100	*16,835,000	423,800,000	356,600,000
	1950	118,920	4,776,000	131,300,000	173,780	15,104,000	365,100,000	272,300,000
Group Hospital Expense Employee Coverage	1952	13,409	1,637,000	Daily Benefit 16,300,000	66,540	12,959,000	Daily Benefit 101,500,000	154,500,000
	1951	12,770	1,582,000	15,400,000	64,390	12,112,000	88,900,000	128,300,000
	1950	12,640	2,013,000	18,900,000	51,800	10,057,000	68,000,000	97,400,000
Dependent Coverage	1952	11,470	2,211,000	Daily Benefit 20,100,000	53,690	16,450,000	Daily Benefit 122,800,000	191,800,000
	1951	11,510	2,236,000	18,200,000	52,220	14,531,000	102,000,000	151,600,000
	1950	11,340	3,148,000	24,100,000	40,900	12,248,000	74,300,000	103,600,000
Group Surgical Expense Employee Coverage	1952	13,670	1,765,000	Maximum Surgical Benefit 390,000,000	68,570	13,617,000	2,709,600,000	79,200,000
	1951	12,660	1,666,000	403,800,000	65,540	12,586,000	2,327,600,000	68,700,000
	1950	13,570	2,333,000	489,400,000	53,560	10,309,000	1,809,300,000	55,000,000
Dependent Coverage	1952	11,290	2,481,000	Maximum Surgical Benefit 403,800,000	53,520	15,959,000	2,904,200,000	122,500,000
	1951	11,280	2,457,000	460,600,000	49,730	13,700,000	2,340,100,000	99,200,000
	1950	12,340	3,650,000	652,500,000	39,740	10,910,000	1,688,000,000	67,900,000
Group Medical Expense Employee Coverage	1952	7,170	1,022,000	" " " 23,710	5,367,000	" " " 2,904,200,000	" " " 2,904,200,000	21,400,000
	1951	8,290	910,000	" " " 22,700	4,530,000	" " " 2,340,100,000	" " " 2,340,100,000	17,100,000
	1950	5,640	1,519,000	" " " 14,570	3,465,000	" " " 1,688,000,000	" " " 1,688,000,000	10,100,000
Dependent Coverage	1952	6,170	1,189,000	" " " 16,680	4,748,000	" " " 2,904,200,000	" " " 2,904,200,000	12,700,000
	1951	5,190	941,000	" " " 12,270	3,416,000	" " " 2,340,100,000	" " " 2,340,100,000	8,400,000
	1950	3,510	1,061,000	" " " 6,580	2,179,000	" " " 1,688,000,000	" " " 1,688,000,000	4,200,000
Group Major-Medical Expense Employee Coverage	1952	270	226,000	" " " 420	289,000	" " " 2,904,200,000	" " " 2,904,200,000	1,600,000
	1951	270	226,000	" " " 420	289,000	" " " 2,340,100,000	" " " 2,340,100,000	1,600,000
	1950	270	226,000	" " " 420	289,000	" " " 1,688,000,000	" " " 1,688,000,000	1,600,000
Group Accidental Death and Dismemberment	1952	9,240	1,320,000	Principal Sum 2,553,800,000	53,570	10,678,000	Principal Sum 22,053,300,000	27,000,000
	1951	9,680	1,317,000	2,521,900,000	48,920	9,470,000	19,539,400,000	23,200,000
	1950	8,110	1,578,000	3,276,200,000	38,430	8,073,000	16,217,100,000	18,400,000

TOTAL PREMIUMS AND CONSIDERATIONS

Year	Group, Group Creditors and Wholesale Life	Group Annuities	Group Accident and Health	Total
1952	\$727,500,000	\$841,300,000	\$1,022,400,000	\$2,591,200,000
1951	*624,400,000	784,900,000	853,100,000	*2,262,400,000
1950	559,300,000	674,600,000	628,900,000	1,862,800,000
1949	488,800,000	517,500,000	460,400,000	1,466,700,000
1948	458,500,000	538,400,000	385,600,000	1,382,500,000
1947	402,000,000	449,500,000	306,200,000	1,157,700,000

* Revised

Master policies and certificates providing more than one coverage were counted for each kind of coverage.

Figures for Major-Medical Expense not collected prior to 1952.

General Assurance Control Passes to Dilbeck-Dominey

Management of General Assurance Corp. of Atlanta, a life and A. & H. insurer, has been assumed by interests identified with the Dilbeck-Dominey general agency of that city, which also owns Georgia Casualty & Surety.

General Assurance was organized in 1948 as a fidelity and surety company by Frank A. Unles, who was the guiding light behind the old Southern Surety of Des Moines, which was taken over by Home some years ago for its agency plant. In 1951, General Assurance got out of the fidelity and surety field and changed over to a life and A. & H. company.

Georgia Casualty & Surety this year also entered the fire field. Dilbeck-Dominey are general agents for Bituminous Casualty.

The new officers of General Assurance are: Chairman, James W. Watts; president emeritus and chief medical examiner, Dr. T. C. Davidson, who has been 1st vice-president; president, D. D. Dominey, who is also president of Georgia Casualty & Surety; executive vice-president and secretary, J. Austin Dilbeck, who holds the same title with Georgia Casualty & Surety, and is a partner with Mr. Dominey in the Dilbeck-Dominey agency, and

treasurer, Dr. F. W. Griffin, who held the same position previously.

Drops Air Insurance Plan

Plans for a rule requiring airlines to carry "adequate insurance coverage" have been dropped, according to Civil Aeronautics Board, which said it had become convinced that its power to make such rules "is so questionable that any regulations issued by the board probably would not survive court review." The need for federal regulation did not appear urgent, the board added.

Bill for Private W. C.

Cover Loses in Ohio

COLUMBUS, O.—A bill to permit private companies to write workmen's compensation was lost in the house insurance committee by a vote of 6 to 5 against. Seven votes were needed to report the bill out.

To Continue Hyer Adjustment

Albert L. Thomas, president of the Harold Hyer independent adjusting firm of New York, will carry on that organization with his associates. Two key executives of the firm, Harold Hyer and E. J. Lucie, died recently. Martin K. Hyer, son of the late Harold Hyer, is also with the firm.

Hill New Mich. M. L. G.

Robert M. Hill, Detroit independent adjuster, was elevated to most loyal gander of Michigan Blue Goose to the annual meeting at Port Huron. C. B. Kingman, Standard Accident, is supervisor; William H. Moeller, London & Lancashire, custodian; Floyd W. Buschen, Loyalty group, guardian; Elmer Sademan, Agricultural, keeper, and Elmer Gadde, Underwriters' Adjusting, welder.

The new officers were installed by Clarence B. Herrick, Yorkshire, deputy most loyal grand gander. The pond initiated 14 goslings, bringing its membership to a record high of 522.

F. & C. Men at Green Bay

Earl E. Fisk presided at a meeting of agents at Green Bay, Wis. Speakers were H. T. Badum, superintendent of the boiler and machinery department, and A. J. Young, chief engineer, both of Fidelity & Casualty.

Seek N. D. Reinsurance Bids

Bids for reinsurance on the state mill and elevator at Grand Forks, N. D., and the state penitentiary twine and cordage plant at Bismarck will be opened June 25 at Bismarck. North Dakota insures the institutions in the

state fire and tornado fund, and reinsures part of the risk in private companies.

Aetna Makes 3 Changes in Marine Field Men

Aetna Fire has transferred one special agent and appointed two others to assist in marine business.

John H. Stoddart goes to Boston where he will be associated with A. J. Woodward, marine superintendent, and D. S. Paine, special agent. Mr. Stoddart has been a special agent in the New York City marine department and was for several years with one of the large marine underwriters there before going with Aetna some two years ago.

Paul Chrystal was assigned to the Atlanta office with C. F. Luce Jr., marine superintendent, and has the states of Georgia and South Carolina. A graduate of Union College and Aetna's multiple line training school, Mr. Chrystal has also had several months of home office underwriting experience.

James E. Carter goes to New Orleans to be with Marine Superintendent M. A. Gressett in servicing Louisiana and Mississippi. A graduate of Pennsylvania State College and an army veteran, Mr. Carter also is a graduate of the multiple line training school and has had home office experience.

Terry to A.I.U. at Houston

American International Underwriters Corp. has appointed James A. Terry to manage its new Houston office. He started with Texas General Agency as a special agent and underwriter in 1946. From 1947 to 1950 he was a special agent of National Fire at Houston. Then he was with Hassell & Kellogg agency, Houston, for two years and later manager of Realty Insurance Agency at Houston. He is a C.P.C.U.

California Directors Meet

Directors of California Assn. of Insurance Agents will meet at Palo Alto to review association activities and progress of committees.

Eighty-one California agents have enrolled for the week-long annual advanced agency management conference at Stanford university. Dean Laurence Ackerman of University of Connecticut and Richard E. Farrer, National of Hartford, head the faculty.

F. & D. Surety for 3 Jobs

Fidelity & Deposit has been named surety for three construction jobs. They are: Construction at Nellis air force base, Las Vegas, to be executed by Ford J. Twaits Co. and Morrison-Knudson Co. at a cost of \$9,126,334; Los Angeles-Pomona highway work, assigned to Guy F. Atkinson Co., to cost \$3,389,766, and erection of a pier at Long Beach, to the Atkinson company, at a price of \$1,999,215.

Welfare Board Line Placed

ST. PAUL—The H. and Val J. Rothschild agency has been awarded the fire and extended coverage insurance, amounting to about \$800,000, on property of the Ramsey county welfare board. The Rothschild bid of \$5,455 was slightly higher than one other, which the board held did not meet all the bidding requirements.

New Carpenter & Baker Head

Emil A. Kratovil has been elected president of Carpenter & Baker, New York marine underwriters. John A. Beebe has become chairman.

Ralph Blevens, Milwaukee, state agent for the farm department of Home, spoke on "Fire Safety on the Farm" before the Langlade County 4-H Club at Phlox, Wis.

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Uniform Accounting Big Issue at N.A.I.C. Rally

(CONTINUED FROM PAGE 33)

the executive session of the U.A. committee, the life people had been brought into the U.A. orbit and on Thursday morning this was borne out when mimeographed copies of the report to be made by the uniform accounting committee became available. This contained a paragraph stating Mr. Bohlinger "in executive session, outlined the studies under way by the New York department in connection with allocation of income and expenses by life insurance companies." He said the New York legislature this year had enacted a law authorizing the department to promulgate a regulation in relation to the income and expense allocation of such companies.

The question was raised why N.A.I.C. should get into the act at all since New York was the only state with a uniform accounting statute. Mr. Bohlinger said the same thing is true in fire and casualty insurance, but commissioners of other states recognize that this is a national problem and there should be a national program. Whether or not a state has a statute on the subject, every official has the responsibility in the matter of appropriate allocations, he said. New York doesn't desire to act unilaterally. It is making field studies and has invited the N.A.I.C. subcommittee to work with New York. It wants to keep N.A.I.C. informed on what it is doing.

Commissioner Fischer of Iowa got to his feet and spoke with considerable restrained temper along these lines:

"We are tackling a large question. It involves a large segment of the industry outside of New York. I objected to the manner in which this was brought up. I never heard of it although I have been a member of this committee three years. It deserves much more consideration than it has had. The report is misleading. The committee has already been appointed. Is it going to meet in star chamber session without the industry being on hand? We are getting more and more bureaucratic, Al (meaning Mr. Bohlinger) and we can be criticized for this. I move to strike the section on life insurance."

Whereupon the committee went into executive session and it is reported that there was a lot of fireworks and that in the showdown the vote was 4-4 until Apodaca of New Mexico wandered in, having discovered that there was such a meeting in progress. He voted "no" and the section on life insurance was knocked out. He said he had been keeping N.A.I.C. fully informed in regard to these studies and would welcome the formation of a committee to consider the same subject matter. Thereupon appointment of such committee was approved and those appointed were Lange of Wisconsin, Butler of Texas, Maloney of California and Bohlinger.

The life people were fairly sputtering when this came to light. They were bound to take the issue to the floor of the convention but there was hurriedly arranged a special meeting of the U.A. committee in the afternoon just before the convening of the final open plenary session and the question was threshed out there in almost sulphuric vein. Then the U.A. committee went into executive session and voted to delete all of this reference to life insurance in its report, the vote being five to four. There was considerable

bad blood evident in the discussion.

Mr. Lange, speaking at the special U.A. meeting, said that there were many who have taken serious objection to setting up a U.A. committee for life insurance. If anything, he said, some wanted this to be a sub-committee of the life committee, while others say it belongs in the blanks committee sphere. There are some who would like to have the whole thing deferred six months. He mentioned that Commissioner Fischer of Iowa objected to the whole program.

A. N. Guertin, actuary of American Life Convention, said that the U.A. committee in the fire and casualty sphere had been dealing with allocation of expenses for statement purposes and also for rate making purposes. He said that life people understand that there is involved here no element of intention to bring about rate regulation of life insurance. Hence, it is inappropriate to have the matter dealt with by a committee that is dealing with uniform accounting as an adjunct of rate regulation. The life people, he said, would like to see the matter amplified either in the area of the blanks committee or the life committee. They don't want it handled by those who are concerned primarily or even secondarily with rate making.

Mr. Bohlinger replied that the committee is not "primarily" concerned with rate making in life insurance. Those in the audience noted his use of the word "primarily." He did not disavow any intention to keep hands off the rate making question. He said the main objective is to get the allocation of expenses between lines of insurance and it is more appropriate to have it handled through the U. A. committee.

Mr. Guertin said the life people have thought that the whole study was aimed at uniform report for annual statement purposes.

"You are wrong," Mr. Bohlinger said sternly. "The study concerns uniform allocation of expenses and the appropriateness thereof. It goes far beyond uniform reporting. It goes beyond the function of the life committee or the blank committee. It deals for instance with A. & H. as well as life insurance. Hence to cover the whole field by committees other than the U. A. committee it would have to be split between the life committee, blanks committee and A. & H. committee and this would constitute a hydra-headed monster."

Lee Shield of American Life Convention said his people have misgivings when Mr. Bohlinger said the study "goes beyond uniform reporting."

Mr. Bohlinger said that the commissioners know there is a question about allocation among lines and sub-lines. Dividends to policyholders are involved, if one line is improperly loaded.

Mr. Shield asked whether the insurance department examiners can't locate such discrepancies in the course of examining companies. Mr. Bohlinger said they can get the facts but having gotten them they can do no more than criticize what has been done. He said he knows of extravagant misallocation of expenses.

Final action was taken on the proposal for a new nationwide marine definition. The resolution recommends that the various states accept and promulgate the new definition. There is to be set up a new industry committee to be known as committee on interpretation of the nationwide marine definition. This will take the place



August Pryatel, Ohio chief deputy, and Walter A. Robinson, Ohio insurance superintendent, at N.A.I.C. convention at San Francisco.

of the old committee on interpretation and "complaint." This will be appointed by N.A.I.C. and will consist, as in the past of five marine men, five fire men and five casualty-surety men.

In the final report of the committee which was adopted, Leslie of Pennsylvania, the chairman, inserted an interpolation that the use of the phrase in the definition "The personal property floater" is not intended to restrict the companies to writing a single personal property floater policy. This was done at the instance of W. H. Rodda of Transportation Insurance Rating Bureau (mutual), who said that elsewhere the plural is used in referring to particular floaters and the contrast might cause some supervisor to assert that the definition thus puts a blessing on a one and only form of PPF. T. I. R. B. has three forms of PPF on file. Joseph Bill of I.M.I.B. said the singular was used for the PPF because that is the way it is referred to in a number of statutes.

In the final action a change in wording was approved in the section on policies covering property sold under conditional sale, contract of sale, etc., to read: "This section is not intended to include machinery and equipment under certain lease-back contracts." This simply was a clarification of intent.

Mr. Rodda's memorandum included a number of other specific recommendations and Mr. Leslie said the committee has received several memoranda and these would be the subject of further study. One of Mr.

Rodda's recommendations was that all types of retailers be made eligible for inland marine treatment and not just furriers, jewelers, camera dealers, etc. Such distinctions, he suggested might comprise discrimination.

In reaching the decision to hold the 1954 winter meeting at the Commodore hotel at New York, it was recalled that there is a resolution that this shall be the place for that gathering in the absence of any other suitable invitation.

A year or so ago N.A.I.C. had accepted an invitation of Las Vegas, Nev., for that meeting, but as the hour drew nearer it became obvious that this was not an appropriate place for the convention, despite the fact that the Desert Inn and other boosters for Las Vegas were distributing at San Francisco all kinds of alluring literature and pictures including glossies of appetizing bathing beauties.

The decision was made in connection with the report of Bohlinger of New York as chairman of the committee on future sites. He said that the housing is not adequate at Las Vegas. There had been discussions with Commissioner Sullivan of the state of Washington on the possibility of Seattle in June, 1954.

Noting the mention of lack of housing at Las Vegas, the redoubtable Commissioner Jensen of North Dakota arose to extend an invitation from North Dakota, where the "oil is flowing and grain is growing and Sitting Bull has been divided up 50-50 between North Dakota and South Dakota." A big tent could be put up to provide housing if necessary, he said. Later, Mr. Jensen opined that the commissioners crowd is getting so high-toned that they have to sleep in feather beds. Mr. Jensen brought down the roof by telling a story about the two men from his state that were bragging about being the biggest shippers of the male variety of cattle in his state.

Commissioner Knowlton of New Hampshire said that the territory of Sitting Bull would be a very appropriate site for this convention.

The commissioners voted to take the pressure off the London Lloyds reinsurance problem.

The decision was to extend the date for complying with the restrictions on the admissibility of Lloyds reinsurance to on and after Dec. 31, 1954 as respects Lloyds reinsurance contracts effective prior to July 1, 1953.

Thus there will be no reserve problem in this connection for 1953 annual statements. At San Francisco, the first decision of the committee was to extend the compliance date to June 30,



Personalities at N.A.I.C. convention at California: Don Hodder, Woodmen Accident of Lincoln; Bernard Stone, Lincoln attorney and former Nebraska insurance commissioner; James R. Maloney, California commissioner, and Robert Rydman, attorney Health & Accident Underwriters Conference.

1954 in respect of reinsurance contracts effective July 1, 1952 and earlier, but the Dec. 31 date was later chosen.

The previous decision was that credit should not be taken for Lloyds reinsurance on and after Dec. 31 of this year. Of course theoretically Lloyds could leave the funds in the hands of the reinsured, but even Lloyds would, it is believed, run out of money trying to reserve all of its reinsurance clients. Some estimate this might cost as much as \$200 million.

The Lloyds position was advanced at San Francisco by William Mendes of Mendes & Mount, Lloyds U. S. representatives; by S. R. Everitt, from London, clerk to the committee at Lloyds, and John Sullivan of the Seattle reinsurance firm of Frank Burns, Inc. Also working closely on the problem was T. J. Healy of Mendes & Mount who attends N.A.I.C. sessions regularly.

N.A.I.C. will continue to study the matter and the committee of technicians is to be reactivated for this purpose.

The laws and legislation committee in its final action deleted the recommendation of its subcommittee endorsing the principle of security fund legislation in the field of workmen's compensation and automobile liability insurance. This recommendation was inserted by the subcommittee during the course of an executive session and was one of several matters that came out in this way without the industry having had an opportunity to participate in the discussion on the subject or without being apprised that serious consideration was being given to it.

G. P. LeCrenier to Retire

G. Philip LeCrenier, manager of the payroll audit division of Aetna Casualty, will retire July 1 after more than 40 years with the company. He joined Aetna Life as a payroll auditor at the Boston office and was later transferred to the home office as assistant superintendent of the payroll audit division, subsequently being promoted to superintendent and then to manager.

Mr. LeCrenier has served on the

payroll audit committees of the National Bureau of Casualty Underwriters, National Council on Compensation Insurance, and Compensation Insurance Rating Board of New York.

Group Major Medical Plan on American Cyanamid

Prudential has effected group major medical coverage on employees of American Cyanamid. It is offered on an employee-pay-all basis. Maximum coverage is \$10,000. There is a \$200 deductible for those earning up to \$9,000 a year and \$400 for those earning more than that.

The company has more than 15,000 full-time employees. Arrangements have been completed for covering the salaried employees and the plan is now being offered to hourly paid workers. There is a 20% deductible. American Cyanamid already has a liberal hospital and surgical plan, paid for jointly by the company and the employees and underwritten by Prudential.

R. I. Field Men Elect

Rhode Island Field Men's Assn. has elected G. N. Thoren, London & Lancashire, president; John E. Borhek, Employers group, vice-president; Philip N. Hall, Boston, secretary, and R. O. Walthers, National Fire, treasurer.

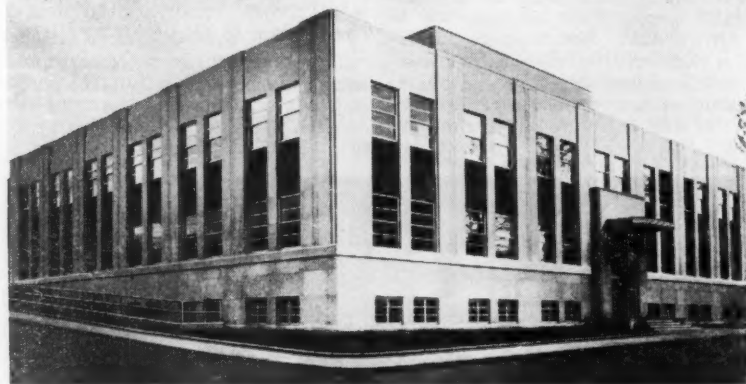
MISS MYRA C. KNIGHT, vice-president of the Moxley-Knight agency at Montclair, and a familiar figure at meetings of New Jersey Assn. of Insurance Agents, died. She had been with the agency 30 years, was president of Montclair Real Estate Board at the time of her death and was president of Essex County Insurance Agents Assn. in 1951.

M. G. Fuller, president of State Farm Life, has been elected a new director of State Farm Mutual Auto, along with C. B. Steward and E. L. Hiser.

J. Yale Moore, Lowville, N. Y., agent is celebrating his 50th year in insurance. His son John, is now associated with him.

The T. J. Holt agency, Lebanon, Mo., established 47 years ago, has been taken over by the Mayfield agency.

Shelby Mutual New Home Office in Use



Shown above is the new home office building of Shelby Mutual Casualty, which was formally opened recently and now is completely in use. The three-story building has 50,000 square feet and is completely air-conditioned.

Shelby Mutual's first owned building was an old bank structure, acquired in 1908, when the company was 28 years old. In 1929 it acquired a larger building, which had become badly outgrown by the time of the

war. Construction of the new building was held up by war restrictions and post-war shortages, a small part of it being occupied in 1949. It is located at the edge of the business district of Shelby, O., and has an ample parking lot in the rear. A booklet describing the new building and showing the officers and key personnel at work in their new quarters has been prepared by R. E. McCombs, public relations director.

LATE NEWS

(CONTINUED FROM PAGE 1)

tual casualty firm be formed with less than \$50,000, and for all casualty purposes not less than \$160,000 would be required.

Another bill sent to the governor changes the qualifications of directors and trustees of insurance companies by eliminating the requirement that they must be citizens of Pennsylvania. Still another provides that directors may fill vacancies on the boards when such vacancies occur because of failure of the stockholders to fill any class of directors.

Then there is a measure to allow excess rates for any specific risk in workmen's compensation.

The W. C. securing fund was expanded to include O. D.

The house passed a bill to requiring corporate sureties on the bonds of tax collectors.

J. S. Kemper to Be Brazilian Ambassador



James S. Kemper, chairman of Lumbermen's Mutual Casualty, and the guiding hand in the manifold insurance enterprises that are grouped under his name, has received appointment as ambassador to Brazil. This has been rumored for some time. Earlier he had been mentioned as a possibility for the Chilean post. There had even been some speculation that he was ticketed for Canada. He has been a leader for years in western hemisphere relations. He holds the Order of Knight Commander of the Southern Cross of Brazil. He is a former president of U. S. Chamber of Commerce and a former national treasurer of the Republican party. His brother, H. G. Kemper, is president of Lumbermen's Mutual Casualty, and another brother, Mark Kemper, is treasurer of American Motorists.

Deductible Program for Fidelity Risks

A definite schedule of credits for use of deductibles on fidelity risks became effective in most states June 15. Companies right along have used deductibles to try to convert high loss frequency risks into writable propositions but under rate regulation there have been more and more requests from supervisory officials for citation of chapter and verse to support this. Now Surety Assn. offers a formula. The deductibles range from \$50 to \$500 and the credits therefor run from 5% to 7 1/4%. The credit goes up one-quarter percent for each additional \$50 in the deductible.

Fire Losses in U. S. Up 3% in May

Fire losses in the U. S. in May were \$64,239,000, National Board estimates. This is an increase of 3% over May, 1952. Losses for the first five months total \$364,437,000, an increase of 5.3%.

Vincent J. Lyle, a department head, has been named an assistant treasurer of general Re. He joined the company in 1926 and spent a number of years in the accounting department.

Charles G. Carothers has been named Colorado and Wyoming special agent for Great American with headquarters at Denver. He succeeds Donald H. Reynolds who is transferred to Portland, Ore. He was educated at Kansas State College and has been in the western department for the past two years.

William Shiflette, Jr., has been named Colorado manager for Houston Fire & Casualty replacing M. O. Lindquist who has resigned. He has served in other fields for this company.

Paul Maaz, Jr., formerly assistant manager at Houston for Maryland Casualty, has joined the Corbell & Bradley agency of that city.

Convention Dates

June 20-24, Conference of Mutual Casualty Companies, management conference, Traverse City, Mich.
June 22-24, Virginia Agents, annual, Hotel Roanoke, Roanoke.
June 24-25, Wisconsin Fire Underwriters Assn., annual, Maxwellton Braes, Baileys Harbor.
June 26-27, Florida Assn. of Independent Adjusters, Orlando.
June 28-30, New England Agents, Poland Spring, Me.
June 29-July 1, International Assn. of A. & H. Underwriters, annual, Edgewater Beach hotel, Chicago.
Aug. 9-12, West Virginia Agents, annual, Greenbrier, White Sulphur Springs, W. Va.
Aug. 19-22, Federation of Insurance Counsel, Bedford Springs hotel, Bedford, Pa.
Aug. 23-25, Wyoming Agents, annual, Cheyenne.
Aug. 23-25, Kentucky Mutual Agents, Lexington.
Aug. 24-26, International Federation of Commercial Travelers Insurance Organizations, annual, Jasper Park Lodge, Jasper National Park, Alberta, Can.
Aug. 24-27, Blue Goose Grand Nest, Royal Alexandra hotel, Winnipeg, Manitoba, Can.
Aug. 30-31, Oregon Agents, annual, Multnomah, hotel, Portland.
Sept. 2-4, Washington Agents, annual, Olympic hotel, Seattle.
Sept. 9-11, Maine Agents, annual, Samoset hotel, Rockland.
Sept. 11-12, New Mexico Agents, annual, La Fonda hotel, Santa Fe.

Sept. 13-15, Pennsylvania Assn. of Insurance Agents annual, Bedford Springs, Pa.
Sept. 13-16, Michigan Agents, annual, Grand hotel, Mackinac Island.
Sept. 14, Vermont Agents, annual, Lake Morley Inn, Fairlee.
Sept. 14-15, Texas Assn. of Mutual Fire & Storm Insurance Companies, annual, Driskill hotel, Austin.
Sept. 14-15, Utah Agents, annual, Ben Lomond hotel, Ogden.
Sept. 14-16, International Claim Assn., annual, Sagamore, Bolton Landing, Lake George, N. Y.
Sept. 14-16, Montana Agents, annual, Butte.
Sept. 14-18, National Society of C.P.C.U., Bellevue-Stratford hotel, Philadelphia.
Sept. 16-18, Ill. Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.
Sept. 17-18, Minnesota Agents, annual, Radisson hotel, Minneapolis.
Sept. 18-25, Nevada Agents, annual, Las Vegas.
Sept. 20-21, Insurance Federation of North Dakota, Fargo.
Sept. 20-23, Idaho Agents, annual, Sun Valley Lodge, Sun Valley.
Sept. 21-23, American Mutual Alliance, Insurance forum, Hotel Somerset, Boston.
Sept. 22-23, New Hampshire Agents, annual, Wentworth hotel, Portsmouth.
Sept. 23-25, New Jersey Agents, annual, Haddon Hall, Atlantic City.
Sept. 24, Washington Agents, annual, Olympic hotel, Seattle.
Agents, annual, Washington, D. C.
Oct. 28-Oct. 1, National Assn. of Insurance Oct. 19-21, S.E.A.U., semi-annual, Pinehurst, N. C.
Oct. 19-23, National Safety Congress and Exposition, National Safety Council, annual, Chicago.

the sad story of the **CARELESS** family

chapter VI



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